

Ref No.: GGD/Sec./2019/09/02  
3<sup>rd</sup> September, 2019

To,  
Corporate Relationship Department  
BSE Limited  
1<sup>st</sup> Floor, PJ Towers,  
Dalal Street, Fort  
Mumbai – 400 001

Dear Sir/Madam,

**Subject: Submission of Annual Report for the FY 2018-19**

**Ref: Scrip Code: 505250**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith 80<sup>th</sup> Annual Report of the Company for the financial year 2018-19.

The Annual Report of the Company for the Financial Year 2018-19, along with the Notice of the Annual General Meeting is being sent to the registered members of the Company either by email or by courier / registered post / speed post / airmail, as the case may be and is being uploaded on website of Company and is also uploaded at RTA's website at weblink: [https://linkintime.co.in/website/GoGreen/2019/AGM/GG\\_Dandekar\\_Machine\\_Works\\_Ltd/GDMWL\\_Annual\\_Report.pdf](https://linkintime.co.in/website/GoGreen/2019/AGM/GG_Dandekar_Machine_Works_Ltd/GDMWL_Annual_Report.pdf).

You are kindly requested to take the same on your record and acknowledge.

Thanking you,  
Yours faithfully,

For G. G. Dandekar Machine Works Limited

  
Ajay Shrivastava  
Company Secretary



Encl.: As above.

CIN : L99999MH1938PLC002869

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)



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

80<sup>th</sup> Annual Report 2018-2019

Cover Back

**Annual Report for the year ended on 31<sup>st</sup> March 2019****BOARD OF DIRECTORS**

Mr. Nihal G. Kulkarni	Chairman (DIN: 01139147)
Mr. Mangesh S. Joshi	Executive Director (DIN: 07244555)
Mr. Madhav R. Chandrachud	Non-Executive Non-Independent Director (DIN: 06419028)
Mr. Rajesh D. Phadke (Resigned w.e.f. 16.05.2019)	Non-Executive Independent Director (DIN: 02749329)
Mr. Pawan J. Rathi (Additional Director w.e.f. 16.05.2019)	Non-Executive Independent Director (DIN: 06669485) (Audit Committee Chairman)
Mr. Saurabh B. Patwardhan	Non-Executive Independent Director (DIN: 03056479)
Mrs. Savita P. Sahasrabudhe	Non-Executive Independent Director (DIN: 06926402)

**COMPANY SECRETARY**

Mr. Aneesh Parwani (upto 16th November 2018)  
Mr. Ajay Shrivastava (w.e.f. 14th February 2019)

**CHIEF FINANCIAL OFFICER**

Mr. Sanket S. Gunjekar (upto 3rd December 2018)  
Mr. Mahavir Barlota (w.e.f. 14th February 2019)

**STATUTORY AUDITORS**

M/s. Joshi & Kulkarni,  
Chartered Accountants, Pune

**SECRETARIAL AUDITORS**

M/s. KANJ & Co. LLP  
Company Secretaries, Pune

**BANKERS**

HDFC Bank  
State Bank of India  
Punjab National Bank  
Bank of India

**REGISTRAR AND SHARE TRANSFER AGENT**

Link Intime India Private Limited  
'Akshay Complex' Block No.202, 2nd Floor,  
Near Ganesh Temple, Off Dhole Patil Road, Pune 411001  
Tel.: +91 (20) 26161629/ 26160084 Fax: +91 (20) 26163503;  
Email: pune@linkintime.co.in  
CIN : U67190MH1999PTC118368

**REGISTERED OFFICE**

211/A, MIDC, Butibori Industrial Area,  
Village Kinhi, Tal. Hingana Dist. Nagpur 441122.  
Tel.: +91 (07104) 667300 ; Fax: +91 (07104) 667302  
E-mail: cs@ggdandekar.com, ir@ggdandekar.com  
Website: www.ggdandekar.com  
CIN : L99999MH1938PLC002869

**LOCATION OF FACTORY**

Nagpur

**Information for shareholders'****Annual General Meeting**

Day and Date : Friday, 27<sup>th</sup> September, 2019  
Time : 11.30 a.m  
Venue : 211/A, MIDC, Butibori Industrial Area,  
Village Kinhi, Tal. Hingana Dist. Nagpur-441122

Date of Book Closure : 21<sup>st</sup> September 2019 to 27<sup>th</sup> September 2019

Contents	Page Nos.
Notice	2
Board's Report	11
Report on Corporate Governance	39
Independent Auditor's Report	53
Financial Statements	61

# G. G. DANDEKAR MACHINE WORKS LIMITED

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## NOTICE

Notice is hereby given that the 80<sup>th</sup> Annual General Meeting of G. G. Dandekar Machine Works Limited will be held on Friday, 27<sup>th</sup> day of September, 2019 at 11:30 a.m. at 211/A, MIDC Butibori Industrial Area, Village Kinhi, Tal. Hingana, Dist. Nagpur -441122, Maharashtra to transact the following business:

### ORDINARY BUSINESS:

#### ITEM NO.1:

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2019 and the Reports of the Board of Directors and Auditors thereon.

#### ITEM NO.2:

To appoint a director in place of Mr. Madhav R. Chandrachud (holding DIN 06419028), who retires by rotation and, being eligible, offers himself for re-appointment.

#### ITEM NO.3:

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and any other applicable provisions of the Companies Act, 2013, M/s. Kulkarni Soman & Associates, (Firm Registration Number 139786-W) Chartered Accountants, Pune be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of 80<sup>th</sup> Annual General Meeting till the conclusion of the 85<sup>th</sup> Annual General Meeting, at a remuneration decided by the Audit Committee and Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

### SPECIAL BUSINESS:

#### ITEM NO. 4

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

**"RESOLVED THAT** in accordance with the provisions of Sections 149, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules thereof and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Pawan Jasraj Rathi (holding DIN: 06669485), who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, for the term of 5 (Five) consecutive years upto 15<sup>th</sup> May, 2024, not liable to retire by rotation."

#### ITEM NO. 5

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

**"RESOLVED THAT** in accordance with the provisions of Sections 149, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules thereof and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Saurabh Patwardhan (holding DIN: 03056479) who holds office as an Independent Director from 11<sup>th</sup> September, 2014 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for the second term of 5 (Five) consecutive years upto 10<sup>th</sup> September, 2024, not liable to retire by rotation."

**By Order of the Board of Directors**

**Sd/-**

Place: Pune  
Date: 06<sup>th</sup> August 2019

**Ajay Shrivastava**  
Company Secretary

**NOTES :**

- I. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- II. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A Proxy Form for the Meeting is enclosed.
- III. The instrument appointing the Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the time fixed for holding the Meeting. Proxies shall not have any right to speak at the meeting.
- IV. The Statement setting out the material facts pursuant to Section 102 (1) of the Companies Act, 2013, ("the Act") in respect of Ordinary Business No. 2 & Special Business No. 4 and 5 to be transacted at this Annual General Meeting is annexed hereto.
- V. Details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2, issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment / re-appointment at this ensuing Annual General Meeting forms part of this notice.
- VI. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books will remain closed from Saturday, 21<sup>st</sup> September, 2019 to Friday, 27<sup>th</sup>, September, 2019 (both days inclusive) for the purpose of the Meeting.
- VII. Pursuant to the provisions of Section 72 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Members desirous of making a nomination are requested to send their requests in Form SH-13 in duplicate (which will be made available on request) to the R & T Agent of the Company
- VIII. Pursuant to Section 108 of the Companies Act 2013, read with the Companies (Management and Administration) Rules 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in this Notice. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility.
- IX. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016. Dividends pertaining to the year 2010-11, which remained unpaid or unclaimed for a period of 7 years has been transferred to the IEPF Authority (IEPF Account) in the year 2018, all shares in respect of which dividend has remained unpaid or unclaimed for 7 consecutive years are also transferred to the IEPF Authority. The details of such members and shares transferred are uploaded on the website of the Company, viz., [www.ggdandekar.com](http://www.ggdandekar.com).  
As the aforesaid shares/dividend is transferred to IEPF, the concerned shareholders can claim the same by making an application in the prescribed form and manner to the IEPF Authority.
- X. Members are requested to register their email addresses with the Company / the R & T Agent in case of holding of shares in physical form and with the concerned DPs in case of shares held in dematerialised form.
- XI. Complete details of e-voting are annexed to this notice.
- XII. **Permanent Account Number (PAN)**  
The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members are requested to submit their PAN to their DPs (in case of shares held in dematerialised form) or to the Company / the R & T Agent (in case of shares held in physical form).
- XIII. Members are requested to inform change in address or Bank mandate to their respective DPs with whom they are maintaining their demat accounts and with the R&T Agent or the Company for the shares held in physical form by a written request duly signed by the member for receiving all communications in future.
- XIV. 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.

## G. G. DANDEKAR MACHINE WORKS LIMITED

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- XV. Members may avail the facility of dematerialisation by opening demat accounts with the DPs of either NSDL or CDSL and get the equity share certificate held by them dematerialised.

The requests for effecting transfer of securities (except in case of transmission or transposition of securities) will not be permitted unless the securities are held in the dematerialised form with a depository after 31 March 2019, as per SEBI Notification LIST/COMP/15/2018-19 dated 5 July 2018 read with SEBI press release 51/2018 dated 3 December, 2018. However, there is no restriction on transmission / transposition of securities held in physical form.

- XVI. Members who hold shares in electronic form are requested to bring their Client ID and DP ID for easy identification.
- XVII. Members are requested to bring their attendance slip and copy of the Annual Report at the Meeting. A blank format of attendance slip is appended to the Annual Report.
- XVIII. Since the securities of the Company are compulsorily tradeable in electronic form to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialised at the earliest.
- XIX. Members having multiple folios are requested to intimate to the Company / the R & T Agent such folios, to consolidate all shareholdings into one folio.

**XX. Register Email Address**

Members are requested to register their email addresses with the Company / the R & T Agent in case of holding of shares in physical form and with the concerned DPs in case of shares held in dematerialized form.

- XXI. All documents referred to in the Notice or in the accompanying Statement annexed to the Notice are available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10.00 a.m. to 12.00 noon, prior to the date of the Annual General Meeting and also available for inspection at the meeting.
- XXII. The Notice along with the Annual Report will be sent electronically indicating the process and manner of e-voting to the members whose e-mail addresses are registered with the DPs / the Company. The physical copy of the Notice along with the Annual Report will be sent to those members whose email addresses are not registered with the DPs / the Company indicating the process and manner of e-voting.

The members will be entitled to receive physical copy of Annual Report for the Financial Year ended 31<sup>st</sup> March 2019, free of cost, upon sending a request to the R & T Agent or the Company. The Notice along with the Annual Report will also be available on the Company's website, viz., [www.ggdandekar.com](http://www.ggdandekar.com).

**XXIII. Voting through electronic means:**

1. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to the members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the businesses may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") is provided by National Securities Depository Limited (NSDL).
2. The facility for voting through Ballot Form shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting will be able to exercise their right at the meeting through Ballot Form.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. In pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, Mr. Ajay Shrivastava, Company Secretary is authorized and responsible to address the grievances connected with the electronic voting and contact details of him is as under: E-mail: [cs@ggdandekar.com](mailto:cs@ggdandekar.com) Tel: 07104-667300 Address: G. G. Dandekar Machine Works Limited, 211 /A, MIDC, Buti Bori Industrial Area, Village Kinhi, Tal. Hingana, Dist. - Nagpur - 441122, Maharashtra.

5. The remote e-voting period commences on Tuesday, 24<sup>th</sup> September 2019 (9:00 a.m.) and ends on Thursday, 26<sup>th</sup> September 2019 (5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
6. The process and manner for remote e-voting is as under:

#### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

#### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL e-services i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the



## G. G. DANDEKAR MACHINE WORKS LIMITED

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attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password.
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e., assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General guidelines for members:**

1. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter, etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to [maresh.athavale@kanjcs.com](mailto:maresh.athavale@kanjcs.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

XXIV. The voting rights of members shall be in proportion to their shares of the paid up equity shares of the Company as on the cut-off date of 20<sup>th</sup> September, 2019.

XXV. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Ballot Form.

XXVI. A member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Meeting.

XXVII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20<sup>th</sup> September, 2019 may obtain the login ID and password by sending a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

However, if you are already a registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

XXVIII. In Item no. 3 of the notice, the tenure of M/s. Joshi & Kulkarni Chartered Accountants, Pune, present Statutory Auditors of the Company is going to be completed till the conclusion of this Annual General Meeting (AGM) as contemplated by the provisions of Section 139 of the Companies Act, 2013. The Audit Committee has recommended M/s. Kulkarni Soman & Associates, Chartered Accountants, Pune (Firm Reg. No. 139786-W) for appointment as Statutory Auditors for a period of five years to hold office from this AGM till conclusion of 85th AGM of the Company. Further, as contemplated by the provisions of Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the proposed fees payable to the Statutory Auditors proposed to be appointed shall remain same as payable to the outgoing auditor and shall also conduct tax audit pertaining to the Company, as per the basis and recommendation by the Audit Committee, which is as under:

Statutory Audit Fees : Rs. 3,25,000/-

Tax Audit fees : Rs. 75,000/-

In addition to the above fees, the amount of taxes and reimbursement of out of pocket expenses at actual were also payable to them.

XXIX. A person, who is not a member as on the cut-off date, should treat this Notice for information purpose only.

XXX. Mr. Mahesh Athavale, Practicing Company Secretary, (Membership No. FCS 2412 CP No. 1488), Pune, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XXXI. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Form" for all those members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.

XXXII. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than two days of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XXXIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company, viz., [www.ggdandekar.com](http://www.ggdandekar.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

XXXIV. Route map showing directions to reach to the venue of the AGM is given at the end of this Notice as per the requirement of SS-2.

**By Order of the Board of Directors**

Sd/-

Place: Pune  
Date: 06<sup>th</sup> August 2019

**Ajay Shrivastava**  
Company Secretary

# G. G. DANDEKAR MACHINE WORKS LIMITED

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## ANNEXURE TO THE NOTICE

### STATEMENT OF MATERIAL FACTS ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As required by Section 102 (1) of the Companies Act, 2013 (the Act) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the Regulations), the following Statement sets out all material facts relating to Item Nos. 2, 4 & 5 in the accompanying notice of 80<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 27<sup>th</sup> September, 2019 at 11.30 a.m. at 211/A, MIDC Butibori Industrial Area, Village Kinhi, Tal. Hingana, Dist. Nagpur - 441122, Maharashtra.

#### ITEM NO. 2 OF THE NOTICE :

Mr. Madhav R. Chandrachud (holding DIN 06419028) retires by rotation and being eligible, offer himself for re-appointment.

Mr. Madhav R Chandrachud (aged 66 years) is a graduate in Mechanical Engineering from College of Engineering, Pune and has done his Masters in Business Administration in IMDR, Pune.

He started his career in Kirloskar Oil Engines Ltd., as a Management Trainee to finally retire as a Vice President & Strategic Business Unit Head for Large Engines, in the same company in June 2012. Heading almost all the functions, mainly Manufacturing, Engineering, Quality Assurance & Marketing, mostly associated with Large Engines, enabled him to bring about significant changes in the Business Unit he headed for around 6 years.

Being a management professional throughout, Projects/Contracts management is his core competency. Successful management of two foreign collaborations and the international exposure to technology & vendor management shaped him as a successful leader.

Presently, he is a President of Kirloskar Proprietary Ltd., Pune.

He is not a Director in any other Company. He does not hold any equity share in the Company.

He is not related to any other Director on the Board of Directors of the Company.

He is a Chairperson of Stakeholders' Relationship Committee and member of Audit Committee and Nomination and Remuneration Committee.

Save and except, Mr. Madhav R Chandrachud and his relatives, to the extent of their shareholding interest, if any, in the Company, none of other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 2 for approval by the members.

#### ITEM NO. 4 OF THE NOTICE

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013, and the Articles of Association of the Company, Mr. Pawan Jasraj Rathi (holding DIN: 06669485) as an Additional Director (Non Executive an Independent) on the Board of the Company with effect from 16 May 2019.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Pawan Rathi would hold office upto the date of the Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Pawan Rathi for the office of Director of the Company.

He is not related to any other Director on the Board of Directors of the Company.

Mr. Pawan Rathi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013, and has given his consent to act as a Director.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, an independent director can hold office for a term upto 5 (Five) consecutive years on the Board of a company and as per Section 152 of the Companies Act, 2013, he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Pawan Rathi that he meets with the criteria of independence as prescribed both under Sub-Section (6) of Section 149 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Pawan Rathi fulfills the conditions for his appointment as an Independent Director as specified in the Act and will hold office as an Independent Director upto 15<sup>th</sup> May, 2024.

Mr. Pawan Rathi (aged 38 years) is currently working as Chief Financial Officer with Panchshil Realty, a leading real estate brand in Pune. He is a Chartered Accountant by profession having 15 plus years of experience in the fields of accounts, finance and banking. He started his career with global software and KPO brands like Amdocs, BNY Mellon and further expanded his experience to Manufacturing and Banking sector before coming in Real Estate. His areas of expertise are fund raising including PE, project feasibility analysis, setting up and streamlining business processes.

He is not a Director in any other company. He is not holding any equity share of the Company.

He is the Chairperson of Audit Committee and Nomination and Remuneration Committee and Member of Stakeholder's Relationship Committee.

The draft letter of appointment of Mr. Pawan Jasraj Rathi as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Save and except Mr. Pawan Rathi and his relatives, to the extent of their shareholding interest, if any, in the Company, none of other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

#### **ITEM NO. 5 OF THE NOTICE**

Pursuant to provisions of Section 149(6) of the Companies Act, 2013 and rules thereof, the Members of the Company at the Annual General Meeting held on 11<sup>th</sup> September, 2014 had appointed Mr. Saurabh Bhupal Patwardhan (DIN: 03056479) as an Independent Director of the Company to hold office upto 10<sup>th</sup> September, 2019.

In terms of provisions of Section 149(10) of the Companies Act, 2013 and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Saurabh Patwardhan is eligible for reappointment on passing of special resolution by the Members of the Company and disclosure of such appointment in Board's Report.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Saurabh Patwardhan for the office of Director of the Company.

Mr. Saurabh Patwardhan is proposed to be appointed as an Independent Director for a second term of five consecutive years upto 10<sup>th</sup> September, 2024 pursuant to provisions of Sections 149, 152 and other applicable provisions read with Schedule IV of the Companies Act, 2013; rules thereof and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Saurabh Patwardhan (aged 34 years) qualified Masters of Business Administration (Finance) in November 2009 from DePaul University, Chicago, IL. He also qualified Bachelor of Science in Business Administration in May 2005.

He is a Member of the Audit Committee.

He does not hold any equity share of the Company.

He is also a Director in Snehachandra Consultants Pvt. Ltd.

He is not related to any other Director on the Board of Directors of the Company.

He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The Company has received declarations from him that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013, rules thereof and also declaration and confirmation from him pursuant to Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is of the opinion that he fulfills the conditions specified in the Companies Act, 2013 and rules thereof and also possesses appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and he is independent of the management.

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

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The Board considers that his experience and expertise would be of immense benefit to the Company and it is desirable to avail his service as an Independent Director for a second term of five consecutive years upto 10<sup>th</sup> September, 2024.

The draft letter for re-appointment of Mr. Saurabh Patwardhan as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Mr. Saurabh Patwardhan and his relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution to the extent of their shareholding, if any.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out in Item No. 5 of the Notice.

The Board recommends the special resolution as set out at Item No. 5 of the Notice for approval by the members.

**By Order of the Board of Directors**

**Sd/-**

**Ajay Shrivastava**  
Company Secretary

Place: Pune  
Date: 06<sup>th</sup> August 2019

## Board's Report for the Financial Year 2018-19

To the Members,

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

Your Directors have pleasure in presenting the 80<sup>th</sup> Annual Report with the Audited Annual Accounts of the Company for the year ending 31<sup>st</sup> March 2019.

**FINANCIAL PERFORMANCE**

(Amt in Rs. Lakhs)

Particulars	2018-19	2017-18
<b>Total Income</b>	532.55	989.64
<b>Profit/(Loss) before exceptional items and tax</b>	(307.49)	(381.81)
Exceptional Items	(109.12)	-
<b>Profit before tax</b>	(416.61)	(381.81)
Tax Expense (Current and Deferred Tax)	(0.26)	79.80
<b>Net Profit/(Loss) for the period</b>	(416.35)	(461.62)
Other Comprehensive Income	(79.42)	683.44
Total Comprehensive Income for the year, net of tax	(495.77)	221.82

**DIVIDEND**

Your Directors do not recommend any dividend for the financial year 2018-19.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

- This section includes discussion on the following matters within the limits set by the Company's Competitive position:**

**(A) INDIAN ECONOMY**

India is still the fastest growing major economy in 2018-19. India's ranking improved by 23<sup>rd</sup> to 77<sup>th</sup> position in 2018 among 190 countries assessed by the World Bank Doing Business (DB) Report, 2019. The Growth of GDP moderated to 6.8 per cent in 2018-19 from 7.2 per cent in 2017-18. Inflation contained at 3.4 per cent in 2018-19. Prospects of pickup in growth in 2019-20 subject to further increase in private investment and acceleration in consumption.

Agriculture sector in India typically goes through cyclical movement in terms of its growth. Gross Value Added (GVA) in agriculture improved from a negative 0.2 per cent in 2014-15 to 6.3 per cent in 2016-17 but decelerated to 2.9 per cent in 2018-19. 89% of groundwater extracted is used for irrigation. Hence, focus should shift from land productivity to 'irrigation water productivity'. Thrust should be on micro-irrigation to improve water use efficiency.

The Indian food industry, the food and grocery market, is the 6th largest market in the world and it contributes to 70% of the total sales. Talking about the contribution within the country, the food processing industry has a share of 32% in the nation's total market. In terms of production, consumption, and exports, it is ranked as the 5th largest industry in India. The Indian gourmet food market is valued at USD 1.3 billion and is growing at CAGR of 20%. The Government of India has allowed 100 per cent FDI in marketing of food products and in food product e-commerce under the automatic route. The food industry in India has, in the last few years, seen a lot of foreign investment. The CII has predicted that the food processing sector has the potential to attract around USD 33 billion FDI in the next ten years. It has brought in many overseas players as rice milling machinery suppliers which has drastically increased competition in the industry.

The Government has set a target of doubling of farmers' income by the year 2022. The Government has constituted an Inter-Ministerial Committee. Parallely, the Government is aiming to reorient agriculture sector by focusing on income centeredness. In order to realise net positive returns for the farmer, schemes are being promoted and implemented in a major way through the States/UTs. A Minimum Support Price (MSP) is notified for both Kharif & Rabi crops based on the recommendations of the Commission on Agriculture Costs & Prices (CACP). The Government has increased the Minimum Support Prices (MSPs) of all kharif crops for 2018-19 Season with the pre-determined principle of fixing the MSPs at a level of at least 150 percent of the cost of production announced by the Union Budget for 2018-19. The price rise in raw material paddy puts extra pressure on rice millers as market price for rice remains steady.

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

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For an agri based industry, rainfall prediction is a key factor and any deviation to normal rainfall affects it adversely. Last year Rains were 91 percent of the long-term average at the end of the July-September monsoon season, compared with a forecast of 97 percent. Overall normal rainfall will be useful for rice production and in turn will maintain demand for Rice Milling Machinery.

### **(B) INDUSTRY STRUCTURE AND DEVELOPMENT**

The Company's main business is to manufacture Food Processing Machineries especially for Rice Milling. A rice milling machine should ensure consistency in quality of the end product and hence enhance the economic value of the raw material. With over a century of experience, the Company products are benchmark for the Rice Milling industry. The Company also offers consolidated solutions for Rice Milling projects from conceptualization of turnkey mill to improving and modifying existing mills and enriched with the experience of successful business and installation of machineries in all regions and globally.

### **(C) OPPORTUNITIES AND THREATS**

The rice mill machinery business has seen lot of changes during last few years which is likely to change the way traditionally business is done. Every year new overseas players are entering Indian rice milling machinery market with their latest technology through various routes like buying out existing companies, direct marketing through own subsidiary company, by appointing local agents etc. The rice milling machinery market is shifting from Traditional machines to newly introduced machinery mainly by overseas players. The growth in competition and technology has compelled existing players to shift from traditional machines to new technology machines.

Sensing the shift in the market, the company has consolidated its business in traditional machinery and is working on development of machinery with latest technology. The Company always had a focus on Research & Development activities and has successfully upgraded traditional products. The company is in process of developing several new products.

To tap government funded projects, the Company is working in tune with the government initiative to promote farmers consortium for rice milling activity. It has developed small capacity mills to cater to these requirements. This activity has opened up a new market for small capacity full mill business.

The company is also working on joining hands with experienced manpower having knowledge of latest technology, manufacturing techniques and process technology required by the market. The company has experienced good demand for latest products from its loyal customers and will be able to tap it with the present on going activities as mentioned above.

To increase footprint, the Company has supplied and commissioned several full mills across India which are good reference to attract new buyers. It addresses business in new growing markets and helps to reduce dependency on traditional markets. It will help the company to maintain business equilibrium averaging business coming in from many regions.

### **(D) SEGMENT-WISE PERFORMANCE OR PRODUCT-WISE PERFORMANCE**

The Company has maintained its customer base and leadership in traditional flagship products like Dandekar Cone Polishers and Table type Paddy Separator. In current market scenario, New Product Development is an ongoing continuous activity and the Company has progressed well with addressing more than 21% business through new products. The Company has done major business in Polishing and Grading section.

### **(E) OUTLOOK**

India is the second largest producer of rice after China and the largest exporter in the world. It supplies almost 20% of the total rice exports. The country did suffer from financial stress due to weak international demand and excess of paddy supply but it is been expected that it would rebound in coming years.

In the last one decade, the rice industry in India has seen a major transformation, due to the growth of branded businesses in that of the domestic market and a strong impetus to export. The prominence of this industry has attracted a significant number of traders and buyers from all over the world. In the near future, the demand for export of rice is been expected to improve further, with China and Iran increasing their imports of Indian rice. Along with that, the steady domestic demand growth would add to the overall improvement for the industry.

In India, rice sales are largely unbranded in nature. The unbranded unorganised sector accounts for around 60% market share. However, the rising penetration of organised retail as well as customer awareness have forced players to

turn their attention towards establishing brands. These brands and overseas buyers look for branded rice milling machineries to process the rice with better hygiene and quality increasing demand for machinery with latest technology.

Also in last few years there has been an increase in the number of foreign players in the rice milling market in the country. The reason lies in the supportive policies and regulations, which promote new rice mills and the government offers various facilities to the new entrants in the market. This has offered flourishing market for the international rice milling machinery manufacturers in India or overseas.

**(F) RISK AND 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:

- Latest technology superseding traditional products: Overseas entrants and their subsidiaries has brought in new technology and it is picking up eating market share of traditional machines.
- Reduction in rice millers margin reducing their investment budgets: Steady market prices, Minimum support price for paddy from government, rising labour cost etc. has reduced Rice millers margin which has affected the requirement of new rice mills and machineries.
- Rise in low cost local machinery manufacturers, dividing existing business amongst many smaller suppliers.

**(G) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial reporting and compliance of various laws and regulations.

The internal control system is supported by the internal audit process. An Internal Auditor has been appointed for this purpose. The Audit Committee of the Board reviews the Internal Audit Report and the adequacy and effectiveness of internal controls periodically.

**(H) COMPANY'S FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the financial year under review, your company has achieved turnover of Rs. 476.84 Lakhs (previous year Rs. 880.07 Lakhs). The Loss before exceptional items and tax for the period is Rs. 307.49 Lakhs (as against Loss of Rs. 381.81 Lakhs during FY 2017-18). The net loss for the period is Rs. 495.77 Lakhs (as against net profit after taxes Rs. 221.82 Lakhs during FY 2017-18).

**(I) MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FORMAT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Company seeks to recruit and retain quality industry professionals and provide them with a high performance environment.

During the financial year, total workforce of the Company stands at 73.

**(J) ENVIRONMENT**

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.

**(K) CAUTIONARY STATEMENT**

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**(L) LISTING FEES**

The annual listing fees for the year under review have been paid to BSE Limited, where your Company's shares are listed.



## G. G. DANDEKAR MACHINE WORKS LIMITED

### (M) COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on 31<sup>st</sup> March 2019, the Company has no subsidiary company.

The Board presents Audited standalone Financial Statements as prepared in compliance with the Indian Accounting Standards and the Listing Regulations.

#### DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Details of significant changes, i.e., change of 25% or more, as compared to the immediately previous Financial Year in key financial ratio, along with detailed explanation therefore:

Sr. No.	Particulars	Ratio as on 31 March 2019	Ratio as on 31 March 2018	% of Change	Explanation, if any
i.	Debtors' Turnover	15.45	27.73	12.28	Due to decrease in Turnover
ii.	Inventory Turnover	2.33	3.28	0.95	Due to decrease in turnover.
iii.	Interest Coverage Ratio	NA	NA		The Company does not have any interest cost.
iv.	Current Ratio	0.94	1.16	(0.22)	Due to increase in Trade Payables.
v.	Debt Equity Ratio	NA	NA		The Company does not have any borrowings.
vi.	Operating Profit Margin (%)	(87.37)	(43.38)	43.99	Not Applicable.
vii.	Net Profit Margin (%)	(87.13)	(52.45)	34.68	Not Applicable.

#### RETURN ON NET WORTH:

Details of change in Return on Net Worth as compared to the immediately previous Financial Year as follows:

Sr. No.	Particulars	Ratio as on 31 March 2019	Ratio as on 31 March 2018	% of Change	Explanations
1	Net Worth	(11.79)	(9.47)	2.32	During the year, the Company has incurred losses. Consequently, return on net worth has decreased.

#### PARTICULARS OF INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS) RULES 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

##### EXTRACT OF ANNUAL RETURN:

As required under Section 134(3)(a) of the Act, read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual return in the prescribed form is attached as '**Annexure I**' to this Report.

##### NUMBER OF MEETINGS OF THE BOARD:

During the year under review, Five Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act.

##### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Act, in respect of Directors' Responsibility Statement, your Directors state that:

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2019, the applicable accounting standards had been followed and there were no material departures from the applicable accounting standards;
- b) accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently. Further judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2019 and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Financial Statements have been prepared on a going concern basis;
- e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

#### **DECLARATION BY THE INDEPENDENT DIRECTORS**

The Company has received necessary declaration from all Independent Directors under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 that they meet the criteria of independence as laid down.

#### **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Board had on the recommendation of the Nomination and Remuneration Committee framed and adopted a policy for selection and appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel and their remuneration. The policy is appended as '**Annexure II**' to this Report.

#### **AUDITORS**

##### **a. Statutory Auditors**

As per the provisions of Section 139 of Companies Act 2013, M/s. Joshi & Kulkarni Chartered Accountants, Pune, Statutory Auditors of the Company were appointed in the AGM held for the financial year 2014 for a period of five years. The tenure of the Auditors is going to be completed till the conclusion of this Annual General Meeting for the financial year 2019 as contemplated by the provisions of Section 139 of the Companies Act, 2013. .

The Audit Committee has recommended M/s Kulkarni Soman & Associates, Chartered Accountants, Pune for appointment as Statutory Auditors for a period of five years to hold office from this Annual General Meeting till the conclusion of 85<sup>th</sup> Annual General Meeting of the Company.

The Company has received necessary certificate from the proposed Statutory Auditors as required under Section 139(1) of the Companies Act, 2013 stating that this appointment, if made, will be in accordance with the provisions of Companies Act, 2013.

You are requested to consider the appointment of M/s Kulkarni Soman & Associates, Chartered Accountants, Pune, as the Statutory Auditors of the company in accordance with the provisions of section 139 of the Companies Act, 2013.

##### **b. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Mahesh Athavale, Practising Company Secretary (Membership No. FCS 2412 CP No. 1488), to undertake the Secretarial Audit of the Company.

##### **c. Cost Auditor**

The Company has appointed Mr. Harshad S. Deshpande, Cost Accountant (Membership No. 25054) Pune as Cost Auditors for maintenance of Cost records.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

## G. G. DANDEKAR MACHINE WORKS LIMITED

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Your Company has not given any loan or guarantee or security or made any investment as contemplated by Section 186 of the Companies Act, 2013 during the financial year under review.

### **EXPLANATION ON COMMENTS ON STATUTORY AUDITORS' AND SECRETARIAL AUDIT REPORT:**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s Joshi & Kulkarni, Statutory Auditors, in their Audit report and Mr. Mahesh Athavale, Company Secretary in Practice in his Secretarial Audit Report has provided below mentioned qualification:

- a. Annual Return in respect of the financial year ended 31st March 2018 was filed with additional fees in the month of January 2019.
- b. The Company has not disclosed the name, designation, address, email id and phone number of the person responsible to address the grievances connected with facility for e-voting by electronic as required under the Section 108 read with rule 20 of Companies (Management and Administration) Rules 2014.
- c. The Company has not complied with the provisions of Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto except filing of e-form No. IEPF 1 and IEPF6.
- d. There were delay in filing of few e-forms with the Registrar of Companies, Mumbai.
- e. The Company was a delay of ten minutes in submission of outcome of the Board Meeting to the Stock Exchange as required under the Regulation 30 read with Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to technical error.

### **Reply:**

- a. The Management will ensure and take appropriate steps for timely submission of various forms and returns as required under Companies Act 2013.
- b. The Company has mentioned details, steps and procedures of e-voting pursuant to the applicable provisions of the Companies Act, 2013 in the Notice of the Annual General Meeting held for the financial year 2017-18. However, a specific name, designation, address, email id and phone number of the person responsible to address the grievances connected with facility for e-voting is not mentioned. The Company shall take due care and reasonable steps for the same in future.
- c. Considering the reconciliation issues with Bank in relation to balance in Unpaid Dividend Account, the Company was not able to comply with Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and relevant Notification issued in this regard. However, Company has transferred Unpaid Dividend of FY 2010-11 to IEPF along with corresponding equity shares as on the date of this Report.
- d. The Management will ensure and take appropriate steps for timely submission of various forms and returns as required under Companies Act 2013.
- e. There were some technical difficulties while filing and hence the delay was caused.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188:**

Pursuant to the provisions of Section 134 of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Hence, no particulars are being provided in Form AOC-2.

The disclosures as per IND-AS 24 for transactions with related parties are provided in the Financial Statements of the Company.

### **STATE OF COMPANY'S AFFAIRS:**

Discussion on state of Company's affairs has been covered in the Management Discussion and Analysis.

### **AMOUNTS PROPOSED TO BE CARRIED TO RESERVES:**

Particulars of the amounts proposed to be carried to reserves have been covered in Notes to the financial statements of the company.

### **MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****A. Conservation of energy and Technology Absorption:**

Pursuant to Section 134 (3) (m) of the Act read with Rules there under, the report regarding conservation of energy, technology absorption is annexed herewith as 'Annexure IV'

**B. Foreign exchange earnings and Outgo:**

Sr. No.	Particulars	Amount in `
i)	Foreign Exchange earned in terms of actual inflows during the year	Nil
ii)	Foreign Exchange outgo during the year in terms of actual outflows	Nil

**RISK MANAGEMENT POLICY:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through risk mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company from time to time.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As Net worth of the Company is not more than Rs. 500 crore, its turnover is not more than Rs. 1000 crore and its net profit is not more than Rs. 5 crore, consequently the provisions of section 135 of the Companies Act, 2013 are not applicable to the Company. The Company is not required to constitute the Corporate Social Responsibility, frame the CSR policy or spend the amount on CSR

**BOARD EVALUATION:**

Pursuant to provisions of the section 134(3)(p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, annual performance evaluation of Directors as well as of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee of the Board has been carried out.

The performance evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of Chairman and Non-Independent Directors was carried out by the Independent Directors.

The manner in which the evaluation has been carried out has been provided in the Corporate Governance Report.

**DETAILS OF SUBSIDIARIES, JOINT VENTURES (JV) OR ASSOCIATE COMPANIES (AC):**

Your Company does not have any subsidiary, joint venture or associate company; therefore it is not required to give details as required under Rule 8(5)(iv) of Companies (Accounts) Rules, 2014 during the financial year under review.

**PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

Your Company does not have any subsidiary, joint venture or associate company; therefore it is not required to give details as required under Rule 8(1) of Companies (Accounts) Rules, 2014 during the financial year under review.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There has been no change in the nature of business during the financial year under review.

**DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR 2018-19:**

During the year under review:

Mr. Aneesh Parwani was appointed and designated as Company Secretary and Compliance Officer of the Company w.e.f. 01<sup>st</sup> June, 2018 and subsequently resigned from the office of Company Secretary and Compliance Officer of the Company w.e.f. 16<sup>th</sup> November, 2018. The Company has thereafter appointed Mr. Ajay Shrivastava as Company Secretary and Compliance Officer of the Company w.e.f. 14<sup>th</sup> February, 2019.

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

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Mr. Sanket Gunjekar, Chief Financial Officer of the Company has resigned from his post w.e.f. 03<sup>rd</sup> December, 2018 and in his place Mr. Mahavir Barlota appointed as Chief Financial Officer of the Company w.e.f. 14<sup>th</sup> February, 2019.

However, after the end of financial year and as on the date of this report, Mr. Rajesh D. Phadke (DIN: 02749329), Non-Executive and Independent Director has resigned w.e.f. 16.05.2019 and Mr. Pawan J. Rathi (DIN: 06669485) appointed as Additional (Non-Executive and Independent) Director on the Board w.e.f. 16.05.2019.

### **DIRECTOR(S) PROPOSED TO BE APPOINTED / RE-APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING**

Mr. Madhav Chandrachud (holding DIN 06419028), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Company has also received the requisite disclosure / declaration from Mr. Madhav Chandrachud.

Considering the same, the Board recommends the Ordinary resolution for his re-appointment as Non-Executive Director.

Mr. Pawan Rathi (holding DIN 06669485) was appointed as an Additional Director (Non-Executive and Independent) on 16<sup>th</sup> May, 2019 on the recommendation of the Nomination and Remuneration Committee, who shall hold office till the conclusion of the ensuing Annual General Meeting. The Board considering his expertise, knowledge and experience in the fields of accounts, finance and banking, subsequently considered his appointment as Non-Executive Independent Director of the Company for a period of 5 (five) years with effect from 16<sup>th</sup> May 2019.

Considering recommendation of Nomination and Remuneration Committee and performance of Mr. Pawan Rathi, the Board of Directors of the Company has requested to the members for his appointment as Independent Director for a term of 5 years.

Considering the same, the Board recommends the Ordinary resolution for his appointment as Independent Director.

Mr. Saurabh Patwardhan (holding DIN 03056479) was appointed as Non-Executive and Independent Director on 31<sup>st</sup> July, 2014 on the recommendation of the Nomination and Remuneration Committee, who shall hold office till the conclusion of the Annual General Meeting held on 11<sup>th</sup> September, 2014. The Board considering his expertise, knowledge and experience in the fields of finance & marketing, subsequently ratified his appointment as approved by the Members, as Non-Executive Independent Director of the Company for a period of 5 (five) years till 10<sup>th</sup> September, 2019.

Considering recommendation of Nomination and Remuneration Committee and performance of Mr. Saurabh Patwardhan, the Board of Directors of the Company has requested to the members for his re-appointment as Independent Director for a second term of 5 years as per applicable provisions of Companies Act, 2013.

Considering the same, the Board recommends the Special resolution for his re-appointment as Independent Director.

The brief resumes and other details relating to Director(s) who is/are proposed to be appointed /re-appointed, as required to be disclosed under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of the Explanatory Statement to the Notice of the Annual General Meeting.

The resolutions seeking approval of members for the appointment and re-appointment of these Directors have been incorporated in the Notice of the forthcoming Annual General Meeting of the Company.

### **DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013:**

Your Company has not accepted any deposits under the provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 as amended from the public, or its employees etc. during the year under review.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

The Company has not received any such order from Regulators, Courts or Tribunals during the year, which may impact the Going Concern Status or the Company's operations in future.

### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place adequate internal financial controls with reference to financial statements.

Regular management oversight and rigorous periodic testing of internal controls makes the internal controls environment strong at the Company. The Audit Committee along with Management oversees results of the internal audit and reviews implementation on a regular basis.

**BOARD COMMITTEES:**

Your Company has in place the Committee(s) as mandated under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are currently three committees of the Board, namely:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee.

Details of the Committees along with their charter, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of this report

**INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The relevant information pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed at '**Annexure V**' to this report.

**VIGIL MECHANISM**

The Company has formulated and implemented the Whistle Blower Policy / Vigil Mechanism ('the Policy'). This has provided a mechanism for directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The policy has also been uploaded on the Company's website.

**CASH FLOW**

A cash flow statement for the year ended 31<sup>st</sup> March 2019 is attached to the Balance Sheet as a part of Financial Statements.

**CORPORATE GOVERNANCE:**

In terms of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on the Corporate Governance, along with the certificate of compliance from the Auditors, forms part of the Annual Report.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

There were no complaints received for sexual harassment during the year 2018-19

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Particulars of employees pursuant to section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

The information as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request by any member of the Company. In terms of Section 136(1) of the Companies Act, 2013, the Report and the Accounts are being sent to the members excluding the said Annexure. Any member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company.

**DISCLOSURE OF REMUNERATION OR COMMISSION RECEIVED BY A MANAGING OR WHOLE-TIME DIRECTOR FROM THE COMPANY'S HOLDING OR SUBSIDIARY COMPANY:**

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

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There were no instances of receiving remuneration or commission by a Managing or Whole time Director of the company from its holding or subsidiary company during the FY 2018-19 requiring the disclosure under section 197(14) of the Companies Act, 2013.

### **EVENT BASED DISCLOSURES IN DIRECTORS REPORT:**

The Company has not issued any shares with differential voting rights or Sweat Equity shares or shares under ESOP. The Company has not provided any money to its employees for purchase of its own shares hence the company has nothing to report in respect of Rule 4(4), Rule (13), Rule 12(9) and Rule 16 of the Companies (Share Capital & Debentures) Rules, 2014.

### **SECRETARIAL AUDIT REPORT:**

The Secretarial Audit Report submitted by Company Secretary in Practice according to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as a part of this report as '**Annexure III**'.

### **ACKNOWLEDGMENTS**

Your Directors wish to place on record, their appreciation for the contribution made and support provided to the Company by the shareholders, employees and bankers, during the year under the report.

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

**Sd/-**

**Nihal G. Kulkarni**  
**(DIN: 01139147)**  
Chairman

Place: Pune  
Date: 06<sup>th</sup> August 2019

## ANNEXURE I TO THE BOARD'S REPORT

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN:**  
**AS AT FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019**

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

**I. REGISTRATION AND OTHER DETAILS**

CIN	L99999MH1938PLC002869
Registration Date	8 <sup>th</sup> December 1938
Name of the Company	G. G. Dandekar Machine Works Limited
Category / Sub-Category of the Company	Company limited by shares
Address of the Registered Office and contact details	211/A, MIDC Butibori Industrial Area, Kinhi Village, Tah. Hingna, Dist. Nagpur 441122 Tel: +91(07104) 667300 Fax: +91(07104) 667302 Website: www.ggdandekar.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited "Akshay" Complex, Block No. 202, 2nd Floor, Near Ganesh Temple, Off. Dhole Patil Road, Pune 411 001 Tel: +91(20) 26161629 / 26160084 Fax: +91(20) 26163503 Email: pune@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Food Processing Machinery	28252	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	NA	NA	NA	NA	NA



# G. G. DANDEKAR MACHINE WORKS LIMITED

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a. Individual / Hindu Undivided Family	28,66,320	0	28,66,320	60.20	28,66,320	0	28,66,320	60.20	0
b. Central Government	0	0	0	0	0	0	0	0	0
c. State Government (s)	0	0	0	0	0	0	0	0	0
d. Bodies Corporates	150	0	150	0	150	0	150	0	0
e. Bank / Financial Institutions	0	0	0	0	0	0	0	0	0
f. Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1) :-</b>	<b>28,66,470</b>	<b>0</b>	<b>28,66,470</b>	<b>60.20</b>	<b>28,66,470</b>	<b>0</b>	<b>28,66,470</b>	<b>60.20</b>	<b>0</b>
<b>(2) Foreign</b>									
a. Non Resident Indians - Individuals	0	0	0	0	0	0	0	0	0
b. Other - Individuals	0	0	0	0	0	0	0	0	0
c. Bodies Corporates	0	0	0	0	0	0	0	0	0
d. Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
e. Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>28,66,470</b>	<b>0</b>	<b>28,66,470</b>	<b>60.20</b>	<b>28,66,470</b>	<b>0</b>	<b>28,66,470</b>	<b>60.20</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	0	0	0	0	0	0	0	0	0
b. Banks / Financial Institutions	0	0	0	0	900	0	900	0.02	0.02
c. Central Government	0	0	0	0	0	0	0	0	0
d. State Government (s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0

f. Insurance Companies	1,35,680	0	1,35,680	2.85	1,35,680	0	1,35,680	2.85	0
g. Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (1)</b>	<b>1,35,680</b>	<b>0</b>	<b>1,35,680</b>	<b>2.85</b>	<b>1,36,680</b>	<b>0</b>	<b>1,36,680</b>	<b>2.87</b>	<b>0.02</b>
<b>2. Non - Institutions</b>									
a. Bodies corporate									
i. Indian	2,99,543	6,300	3,05,843	6.42	3,01,363	6,300	3,07,663	6.46	0.04
ii. Overseas									
b. Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1Lakh	10,20,299	2,88,986	13,09,285	27.50	10,09,999	2,19,246	12,29,245	25.82	(1.68)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1Lakh	0	0	0	0	0	0	0	0	0
b. Others (Specify)									
a. IEPF	0	0	0	0	57,904	0	57,904	1.22	1.22
b. HUF	53,770	0	53,770	1.13	53,604	0	55,604	1.17	0.04
c. Clearing members	8,392	0	8,392	0.18	24,861	0	24,861	0.52	0.34
d. NRI (Repatriate)	65,252	0	65,252	1.37	65,202	0	65,202	1.37	0.00
c. NRI (Non-Repatriate)	10,395	6,300	16,695	0.35	11,558	6,300	17,858	0.38	0.03
<b>Sub-total (B)(2)-</b>	<b>14,57,651</b>	<b>3,01,586</b>	<b>17,59,237</b>	<b>36.95</b>	<b>15,26,491</b>	<b>2,31,846</b>	<b>17,58,337</b>	<b>36.93</b>	<b>(0.01)</b>
<b>Total Public Shareholding (B) = (B) (1)+ (B) (2)</b>	<b>15,93,331</b>	<b>3,01,586</b>	<b>18,94,917</b>	<b>39.80</b>	<b>16,63,071</b>	<b>2,31,846</b>	<b>18,94,917</b>	<b>39.80</b>	<b>0.00</b>
<b>C. Shares held by custodian for GDRs and ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>44,59,801</b>	<b>3,01,586</b>	<b>47,61,387</b>	<b>100.00</b>	<b>45,29,541</b>	<b>2,31,846</b>	<b>47,61,387</b>	<b>100.00</b>	<b>0.00</b>

## G. G. DANDEKAR MACHINE WORKS LIMITED

### (ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	
1	Atul C. Kirloskar	5,61,140	11.79	0.00	5,61,140	11.79	0	0.00
2	Sanjay C. Kirloskar	360	0.01	0.00	360	0.01	0	0.00
3	Rahul C. Kirloskar	5,50,180	11.56	0.00	5,50,180	11.56	0	0.00
4	Arti A. Kirloskar	4,00,000	8.40	0.00	4,00,000	8.40	0	0.00
5	Alpana R. Kirloskar	4,00,000	8.40	0.00	4,00,000	8.40	0	0.00
6	Jyotsna G. Kulkarni	9,54,280	20.04	0.00	9,54,280	20.04	0	0.00
7	Mrinalini S. Kirloskar	180	0.00	0.00	180	0.00	0	0.00
8	Vikram S. Kirloskar	90	0.00	0.00	90	0.00	0	0.00
9	Roopa J. Gupta	90	0.00	0.00	90	0.00	0	0.00
10	Alpak Investments Pvt.Ltd..	50	0.00	0.00	50	0.00	0	0.00
11	Navsai Investments Pvt. Ltd.	50	0.00	0.00	50	0.00	0	0.00
12	Achyut and Neeta Holding and Finance Pvt. Ltd.	50	0.00	0.00	50	0.00	0	0.00

**Note: In case of Joint holding, name of first holder is considered.**

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

During the year under review, there has been no change in the Shareholding of Promoters'.

## (iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDR and ADRs)

Sr. No	For each of the Top 10 Shareholders	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	K. V. Development and Investment Co. Pvt. Ltd					
	At the beginning of the year (01/04/2018)		2,68,664	5.64	2,68,664	5.64
	Decrease, If any	No change	0	0	0	0
	Increase, If any	No change	0	0	0	0
	At the end of year (31/03/2019)		2,68,664	5.64	2,68,664	5.64
2	The Oriental Insurance Co. Ltd					
	At the beginning of the year (01/04/2018)		1,35,680	2.85	1,35,680	2.85
	Decrease, If any	No change	0	0	0	0
	Increase, If any	No change	0	0	0	0
	At the end of year (31/03/2019)		1,35,680	2.85	1,35,680	2.85
3	Krishna Kumar Dharamshi Somaiya					
	At the beginning of the year (01/04/2018)		62,025	1.30	62,025	1.30
	Decrease, If any	No Change	0	0	0	0
	Increase, If any	No Change	1,025	0.20	1,025	0.20
	At the end of year (31/03/2019)		62,025	1.30	62,025	1.30
4.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs					
	At the beginning of the year of the year (01.04.2018)		0	0.00	0	0.00
	Decrease, if any	-	-	-	-	-
	Increase, if any	Transfer	57,904	1.22	57,904	1.22
	At the end of the year (31.03.2019)		57,904	1.22	57,904	1.22
5.	Devkishan Chitlangia					
	At the beginning of the year of the year (01.04.2018)		43,974	0.92	43,974	0.92
	Decrease, if any	No change	0	0.00	0	0.00
	Increase, if any	No change	0	0.00	0	0.00
	At the end of the year (31.03.2019)		43,974	0.92	43,974	0.92

## G. G. DANDEKAR MACHINE WORKS LIMITED

6.	Bakre Ajay Shaligram					
	At the beginning of the year of the year (01.04.2018)		23,055	0.48	23,055	0.48
	Decrease, if any	No Change	0	0	0	0
	Increase, if any	Transfer (Buy)	19,950	0.42	19,950	0.42
	At the end of the year (31.03.2019)		43,005	0.90	43,005	0.90
7.	Minoob Babu					
	At the beginning of the year of the year (01.04.2018)		30,990	0.65	30,990	0.65
	Decrease, if any	Transfer (Sell)	5,290	0.11	5,290	0.11
	Increase, if any		0	0	0	0
	At the end of the year (31.03.2019)		25,700	0.54	25,700	0.54
8.	Shivanand Ramkrishna Prabhu					
	At the beginning of the year of the year (01.04.2018)		25,350	0.53	25,350	0.53
	Decrease, if any	Transfer (Sell)	2,000	0.04	2,000	0.04
	Increase, if any	No Change	0	0.00	0	0.00
	At the end of the year (31.03.2019)		23,350	0.49	23,350	0.49
9.	Progressive Share Brokers Pvt. Ltd.					
	At the beginning of the year of the year (01.04.2018)		5,000	0.11	5,000	0.11
	Decrease, if any	-	0	0	0	0
	Increase, if any	Buy	17,500	0.37	17,500	0.37
	At the end of the year (31.03.2019)		22,500	0.47	22,500	0.47
10.	Ramesh Shantilal Tolat					
	At the beginning of the year of the year (01.04.2018)		20,600	0.43	20,600	0.43
	Decrease, if any	No Change	0	0.00	0	0.00
	Increase, if any	No Change	0	0.00	0	0.00
	At the end of the year (31.03.2019)		20,600	0.43	20,600	0.43

Note:

- In cases of joint holding, the name of the first holder is considered.
- The shareholding details given above are based on the legal ownership and not beneficial ownership and is derived on the folio number listing provided by the Registrar and Transfer Agent of the Company.
- Since the shareholding of top ten shareholders are held in electronic form, it is not feasible to provide date-wise increase or decrease in the shareholding pattern of top ten shareholders during the financial year.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Mangesh S. Joshi, Wholetime Director			-	-
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	1	0.00	1	0.00

Note: No other Director(s) or Key Managerial Personnel(s) hold any equity share of the Company.

**V. INDEBTEDNESS**

Amt. in Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
I. Principal Amount	0	0	1,06,000	1,06,000
ii. Interest due but not paid	0	0	0	0
liii. Interest accrued but not due	0	0	0	0
<b>Total (i+ii+liii)</b>	<b>0</b>	<b>0</b>	<b>1,06,000</b>	<b>1,06,000</b>
<b>Changes in Indebtedness during the Financial Year</b>				
I. Addition	-	0	0	0
ii Reduction	-	0	0	0
<b>Net Change - Reduction</b>		<b>0</b>	<b>0</b>	<b>00</b>
<b>Indebtedness at the end of Financial Year</b>				
i. Principal Amount	0	0	1,06,000	1,06,000
ii. Interest due but not paid	0	0	0	0
liii. Interest accrued but not due	0	0	0	0
<b>Total (i+ii+liii)</b>	<b>0</b>	<b>0</b>	<b>1,06,000</b>	<b>1,06,000</b>

## G. G. DANDEKAR MACHINE WORKS LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No	Particulars of Remuneration	Name of Managing Director / Whole Time Director / Manager
		<b>Mr. Mangesh S. Joshi*</b> Executive Director
<b>1</b>	<b>Gross Salary</b>	<b>(Amount in ` )</b>
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	42,38,667
	b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- as % of profit	
	- others, specify .....	
5	Others, please specify (Company's contribution towards PF)	1,44,000
	<b>Total (A)</b>	<b>43,82,667</b>

#### B. Remuneration to other Directors:

(Amount in ` )

Particulars of Remuneration	Name of Directors			Total Amount
<b>Independent Directors</b>	<b>Mr. Rajesh D. Phadke</b>	<b>Mr. Saurabh B. Patwardhan</b>	<b>Mrs. Savita P. Sahasrabudhe</b>	
Fee for attending board / committee meetings	75,000	55,000	75,000	2,05,000
Commission	-	-	-	
Others, please specify	-	-	-	-
<b>Total (1)</b>	<b>75,000</b>	<b>55,000</b>	<b>75,000</b>	<b>2,05,000</b>
<b>Other Non-Executive Directors</b>	<b>Mr. Nihal G. Kulkarni</b>	<b>Mr. Madhav R. Chandrachud</b>		
Fee for attending board / committee meetings	30,000	80,000	-	1,10,000
Commission	-	-	-	
Others, please specify	-	-	-	-
<b>Total (2)</b>	<b>30,000</b>	<b>80,000</b>	<b>-</b>	<b>1,10,000</b>
<b>Total (B) = (1 + 2)</b>	<b>1,05,000</b>	<b>1,35,000</b>	<b>75,000</b>	<b>3,15,000</b>
Total Managerial Remuneration				<b>3,15,000</b>
Overall Ceiling as per the Companies Act, 2013	` 1.00 lac sitting fees per meeting for each Director. However Board has approved ` 5000 as sitting fees per meeting for each Director.			

Note: Mr. Pawan J. Rathi (Additional Non-Executive and Independent Director) has been appointed w.e.f. 16.05.2019 and hence, no sitting fees payable to him for the financial year 2018-19 and Mr. Rajesh D. Phadke resigned from the office of Director w.e.f. 16.05.2019.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR / MANAGER / WHOLE TIME DIRECTOR**

(Amount in ` )

Sr. No	Particulars of Remuneration	Mr. Sanket S. Gunjekar* Chief Financial Officer	Mr. Mahavir Y. Barlota** Chief Financial Officer	Mr. Aneesh Parwani* Company Secretary	Mr. Ajay Shrivastava**, Company Secretary	Total
1	Gross Salary					
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	5,65,930	1,44,426	2,24,283	1,10,103	10,44,742
b)	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-			-	-
c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-			-	-
2	Stock Option	-			-	-
3	Sweat Equity	-			-	-
4	Commission	-			-	-
	- as % of profit	-			-	-
	- others, specify .....	-			-	-
5	Others, please specify (contribution towards PF & FPF)	17,975	5,284	7,232	2,671	33,162
	<b>Total</b>	<b>5,83,905</b>	<b>1,49,710</b>	<b>2,31,515</b>	<b>1,12,774</b>	<b>10,77,904</b>

\* Mr. Aneesh Parwani and Mr. Sanket Gunjekar resigned from the office of Company Secretary and Chief Financial Officer w.e.f 16<sup>th</sup> November, 2018 and 03<sup>rd</sup> December, 2018 respectively.

\*\* Mr. Mahavir Barlota and Mr. Ajay Shrivastava appointed as Chief Financial Officer and Company Secretary w.e.f 14<sup>th</sup> February, 2019.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

1. Company – NONE
2. Directors - NONE
3. Other officers in Default - NONE



## ANNEXURE II TO THE DIRECTORS' REPORT

### THE NOMINATION AND REMUNERATION POLICY

(As recommended by Nomination and Remuneration Committee and approved by Board)

#### PHILOSOPHY:

The Company strongly believes that the system of Corporate Governance protects the interest of all the stakeholders by inculcating transparent business operations and accountability from management towards fulfilling the consistently high standard of Corporate Governance in all facets of the Company's operations.

The Company is committed to provide employment to all eligible applicants on the principles of equality without any discrimination.

The employees have to strictly follow code of ethics and the management practices a zero tolerance for the same.

#### OBJECTIVE:

- To strike the right balance in the composition of the Board of Directors by ensuring experts from different spectrum of the existing and/or future business environment are co-opted on the Board to help the Company achieve its objectives, aspirations and growth potential.
- To implement a transparent process of determining remuneration at Board and Senior Management level of the Company that would strengthen confidence of stakeholders in the Company and its management and help in creation of long - term value for them.
- To strike appropriate balance between the elements comprising the remuneration so as to attract and retain potential high performing candidates for critical position in the Company for attaining continual growth in business.
- To ensure a direct relationship with the Key Result Areas and individual achievements considering short as well as long term performance objectives appropriate to the working of the Company and its goals.

#### COVERAGE:

##### A. Policy on Board Diversity and Term of Appointment of Independent Directors:

The Board of Directors shall comprise of persons who have expertise in the areas of business that the Company operates in and of such persons having expertise to help the Company to diversify its business at the appropriate times.

The Nomination and Remuneration Committee of the Board shall recommend persons with the requisite expertise to the Board of Directors for co-option on the Board, at its discretion.

The Independent Directors shall be appointed for two terms as follows:

- a. Existing or new Independent Directors below the age of 70, for one term of 5 consecutive years;
- b. Existing or new Independent Directors above the age of 70, for one term of such number of years as may be required for the said Independent Director to be 75 years of age;
- c. Existing Independent Directors between the age of 74 – 75 years, for one term of 2 consecutive years;
- d. New Independent Directors not falling under a to c above, for the first term of 5 consecutive years and for a second term of five consecutive years, subject to the result of the evaluation of their performance and also subject to the approval of the shareholders in the general meeting.

##### B. Guidelines of determining remuneration of:

- i. Executive Directors
- ii. Non Executive Directors
- iii. Key Managerial Personnel
- iv. Senior Management Personnel

#### I. DIRECTORS

##### i. Executive Directors:

The Board of Directors of the Company shall decide the remuneration of Executive Directors on the basis of recommendation from Nomination and Remuneration Committee (N&RC) subject to the overall limits provided under the Companies Act, 2013 and rules made thereunder, including any amendments, modifications and re-enactments thereto ('the Act') and in compliance with the provisions of the Listing Regulations as applicable from time to time. The remuneration shall be approved by the shareholders of the Company, as and when required.

The Company shall enter into a contract with every executive director, which will set out the terms and conditions of the appointment. The contract shall be recommended by the N&RC and approved by the Board. The contract shall be maximum for such tenure as may be provided in the Act subject to such approvals as may be required.

The Board may vary any terms and conditions of the contract subject to such approvals, as may be required under the Act.

Every notice sent to the shareholder for seeking their approval for appointment / re-appointment / remuneration of the executive directors shall contain the gist of terms and conditions of the contract.

The remuneration components shall include inter alia:

a. Fixed salary:

Each Executive Director shall be paid fixed salary consisting of basic salary and such allowances and perquisites as may be decided by Board on the recommendation of the Nomination and Remuneration Committee.

OPTION 1: The revision in the salary may be annually done and shall be determined by the Board as per the appraisal of the performance of each executive director by the Board, subject to overall limit approved by the shareholders.

OPTION 2: The salary shall remain fixed for the term of the Executive Director.

b. Commission:

The Board may approve payment of commission subject to the provisions of the Act. The amount of commission to be paid to each of the executive director(s), shall be as recommended by the N&RC on the basis of performance evaluation carried out in respect of such executive director(s) under Section 178 of the Act and Listing Regulations.

c. Non-monetary benefits:

Executive directors may be entitled to club membership, company vehicle with driver, petrol reimbursement, vehicle maintenance, telephone, fax, internet at residence, reimbursement of mobile phone bill, fully furnished accommodation (in case of use of own residential property for accommodation, house rent allowance shall be paid), furnishings, reimbursement of house maintenance expenditure, reimbursement of gas, electricity bill, water and other utilities and repairs at residence, reimbursement of medical expenditure, including domestic hospitalization expenses for self and family and leave travel assistance.

The executive directors may also be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance etc. or any other benefit as per Company policy.

d. Stock options:

Executive directors except promoter directors may be granted stock options as may be approved by the Board, if they are eligible as per existing or any scheme of stock options by the Company.

e. Compensation for loss of office may be paid as may be approved by the Board subject to the provisions of Section 202 of the Act.

f. Separation / Retirement benefits:

Executive Director shall be eligible to the following perquisites which shall be included in the computation of the ceiling on remuneration provided in the Act:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961 or any amendment thereof;
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- (c) Encashment of leave at the end of the tenure.

In case of loss or inadequacy of profits of the Company, the aforesaid perquisites shall not be included in computation of the ceiling on remuneration provided in the Act.

**ii. Non Executive Directors:**

The Company shall issue a letter of engagement or appointment to every non executive director. The components of payment of remuneration to non-executive directors shall be as follows:

a. Sitting fees :

Sitting fees shall be paid for Board and / or any Committee meetings as well as for separate meeting of independent directors, attended by the directors. Different amount of sitting fees may be paid for different types of meetings.

## G. G. DANDEKAR MACHINE WORKS LIMITED

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Sitting fees shall be over and above the limits prescribed in the Act for payment of remuneration but shall not exceed the amount as may be prescribed in the Rules for independent and non independent directors.

The disclosure of the payment of sitting fees for all types of meetings shall be made in the Annual Report of the Company.

Committees shall include Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, or such other committees as may be constituted by the Board from time to time.

b. Commission

The Board may approve payment of commission subject to the provisions of the Act. The amount of commission to be paid to each of the non-executive director(s), shall be as recommended by the N&RC on the basis of performance evaluation carried out in respect of such non-executive director(s) under Section 178 of the Act and Listing Regulations.

c. Stock Options:

Independent Directors and Promoter Directors shall not be entitled for stock options of the Company.

N&RC may recommend issue of stock options to other directors which may be granted by the Board subject to the compliance of the provisions of relevant laws.

d. Professional fees:

Non independent directors may be paid fees for services of professional nature, if in the opinion of N&RC; the director possesses the requisite qualification for the practice of the profession. The following professionals shall be deemed to be possessing requisite qualification and the N&RC is not required to give their opinion, if the director is any of the following professional and renders his services to the company in that capacity:

- (a) Journalist
- (b) Editor of a magazine but not the publisher or the proprietor
- (c) Man of letters writing numerous articles
- (d) Author
- (e) Engineer
- (f) Architect
- (g) Solicitor
- (h) Stock broker
- (i) Film actor
- (j) Optician
- (k) Commission Agent
- (l) Auctioneer, valuer or an estate agent
- (m) Chartered Accountant
- (n) Advocate

Such professional fees shall not be considered as remuneration for the purpose of Act.

### **EXCESS REMUNERATION:**

The Board of Directors may decide to remunerate the Director/s beyond the overall limits provided under the Act, subject to compliance of provisions in this regard including obtaining approval of Central Government, if required, owing to loss incurred by the Company or inadequacy of profits and situation entails providing such remuneration.

### **WAIVING OF EXCESS REMUNERATION:**

Any remuneration or sitting fees paid, whether directly or indirectly, to any director whether executive or not beyond the limits prescribed under the Act and for which approval of the shareholders or Central Government is not obtained, if required to be obtained, the same shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

Company shall not, in any case, waive the recovery of any such sum unless specific permission is obtained from Central Government for waiving such excess payment.

## II. KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

### i. Key Managerial Personnel and Senior Management Personnel:

Key Managerial Personnel (KMP) means Chief Executive Officer, Chief Financial Officer and Company Secretary.

\*Senior Management Personnel (SMP) shall mean officers / personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below executive directors, including all functional heads the chief executive officer / managing director / whole time director / manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

The Company shall issue an appointment letter to every KMP to be signed by the reporting executive director. The letter shall detail the expectation from the role, remuneration package and other terms and conditions.

The remuneration components payable to KMP / SMP may be:

*\*Inserted, pursuant to the amendment in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1 April, 2019.*

#### a. Fixed salary:

Each KMP shall be paid fixed salary consisting of basic salary and such allowances and perquisites as per service rules of the Company. The band of the salary shall be determined according to the industry standards, market conditions, scale of Company's business relating to the position, educational qualification parameters and personal experience in the industry as detailed in the service rules of the Company and such other factors as may be prescribed therein.

The same shall be reviewed annually based on the Company's annual appraisal policy.

#### b. Variable pay:

Variable pay, if any, to every KMP shall be as per the responsibility of the position, organization and individual performance.

The variable pay shall be payable at the end of financial year based on absolute and relative performance evaluation of the Company as well as that individual. The weightage of the same will be decided by the N&RC in each case before the beginning of the each financial year.

#### c. Non monetary benefits:

Non monetary benefits to KMP may include club membership, company vehicle with driver, petrol reimbursement, vehicle maintenance, telephone, fax, internet at residence, reimbursement of mobile phone bill, fully furnished accommodation (in case of use of own residential property for accommodation, house rent allowance shall be paid), furnishings, reimbursement of house maintenance expenditure, reimbursement of gas, electricity bill, water and other utilities and repairs at residence, reimbursement of medical expenditure for self and family and leave travel assistance.

KMP may be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance etc. as per Company policy.

#### d. Stock options:

To motivate executives to pursue long term growth and objectives of the Company, the executive directors may nominate KMP for receiving stock options on the basis of the eligibility criterion of any scheme of stock options declared by the Company.

#### e. Separation / Retirement benefits:

Separation / retirement benefits as per Company policy which shall include contribution to provident fund, superannuation, gratuity and leave encashment.

## DIRECTORS AND OFFICERS LIABILITY INSURANCE:

The Company may take Directors and Officers liability insurance or such insurance of like nature for indemnifying any of the Directors or its KMP against any liability in respect of any negligence, default, misfeasance, breach of duty or trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of remuneration payable to such personnel. Provided that if such person is proved to be guilty, the premium paid shall be treated as part of remuneration.

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

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### **CONSULTANTS AND ADVISORS:**

The N&RC may take services of such consultants and advisors as may be required to assist in determination of optimum remuneration structure and evaluation of the same for the Company's Directors and senior management and shall have the authority to approve the fees payable to such consultants and advisors.

The N&RC shall have access to data of the Company relating to annual operating plan, management and leadership programs, employee survey, initiatives, operational reviews for purpose of undertaking their terms of reference and providing such recommendations as are required under the policy and take such assistance from Executive Director as may be required for assessing the effectiveness and performance of any employee covered under the policy.

### **AMENDMENT**

Based on the recommendation of the N&RC, the Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate or in accordance with any amendment to the applicable provisions of the Act, including rules thereof and / or the provisions of the Listing Regulations.

**sd/-**  
**Nihal G. Kulkarni**  
Chairman of the Board  
**DIN : 01139147**

**sd/-**  
**Pawan J. Rathi**  
Chairman of the Nomination &  
Remuneration Committee  
**DIN : 06669485**

**ANNEXURE III TO THE DIRECTORS' REPORT  
SECRETARIAL AUDIT REPORT**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

For the Financial Year Ended on 31<sup>st</sup> March 2019  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED on 31<sup>st</sup> March 2019**

To,  
The Members,  
G. G. DANDEKAR MACHINE WORKS LIMITED  
211/A, MIDC, BUTIBORI INDUSTRIAL AREA,  
VILLAGE KINHI, TAL. HINGANA,  
DIST. NAGPUR 441122.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by G. G. DANDEKAR MACHINE WORKS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us as reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder including any further amendment/s;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and SEBI(Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; There are no events occurred during the period which attracts provisions of these guidelines hence not applicable.
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; There are no events occurred during the period which attracts provisions of these guidelines, hence not applicable.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; There are no events occurred during the period which attracts provisions of these guidelines hence not applicable;

## G. G. DANDEKAR MACHINE WORKS LIMITED

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- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; There are no events occurred during the period which attracts provisions of these guidelines hence not applicable and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; There are no events occurred during the period which attracts provisions of these guidelines hence not applicable.
- vi. As informed to us by the Management, there are no other laws which are specifically applicable to the company. We have also examined compliance with the applicable clauses of the following:
- (I) Secretarial Standards issued by The Institute of Company Secretaries of India:
  - (II) The Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015

During the period under review the Company has generally complied with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherever applicable.

### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of Board during the audit period covering the financial year ended on 31<sup>st</sup> March 2019 except re-appointment of executive director of the Company pursuant to section 196, 197 and Schedule V of the Companies Act 2013 for the term of 3 (three) years. The Company Secretary of the Company appointed on 01<sup>st</sup> June 2018, resigned on October 02, 2018 was relieved on w.e.f. 16<sup>th</sup> November 2018. New Company Secretary was appointed in the current year w.e.f. 14<sup>th</sup> February 2019. The Chief Financial Officer of the Company who resigned from his post on November 04, 2018 was relieved w.e.f. December 03, 2018. New Chief Financial Officer was appointed in the current year w.e.f. 14<sup>th</sup> February 2019. Adequate notices were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All the decisions were taken by majority, while there were no dissenting views expressed in the meetings and hence not captured and recorded in the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### **We further report that:**

1. *Annual Return in respect of the financial year ended 31<sup>st</sup> March 2018 was filed with additional fees in the month of January 2019.*
2. *The Company has not disclosed the name, designation, address, email id and phone number of the person responsible to address the grievances connected with facility for e-voting by electronic as required under the Section 108 read with rule 20 of Companies (Management and Administration) Rules 2014.*
3. *The Company has not complied with the provisions of Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto except filing of e-form No. IEPF 1 and IEPF6.*
4. *There were delay in filing of few e-forms with the Registrar of Companies, Pune.*
5. *The Company was a delay of ten minutes in submission of outcome of the Board Meeting to the Stock Exchange as required under the Regulation 30 read with Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to technical error.*

Place : Pune  
Date : 16<sup>th</sup> May 2019

Sd/-  
Signature:  
Mahesh A. Athavale  
Partner  
KANJ & ASSOCIATES  
FCS No. 2412  
CP No. 1488

## ANNEXURE IV TO THE DIRECTORS' REPORT

**A. CONSERVATION OF ENERGY**

F Steps taken or impact on conservation of energy.

100 % porch light switched over to LED in last year. There by saving on porch light power consumption. Saving from 2018-19 actions will be about Rs. 2,200 per year.  $(12-3\text{watt}) \times 6 \text{ number} \times 10 \text{ hrs/day} \times 365 \text{ days} \times 11\text{Rs/unit}$ .

2 Air conditioner were replaced by 2 Air coolers (on rental basis) for humidifying & cooling group cabin in summer thereby saving 2 number  $(2000-200 \text{ watt}) \times 9 \text{ hrs/day} \times 75 \text{ days} \times 11 \text{ Rs /unit}$  minus Rs 6000 cooler rent = Rs 20,730/

Total saving is approximately Rs 22,930 annually through energy conservation.

F Capital investment on energy conservation equipment Nil.

**B. TECHNOLOGY ABSORPTION**

F Efforts made towards technology absorption.

- Introduced New Product for Grading of Rice based on size. Product is called 'Plan Sifter' and it is manufactured using latest technology of Laser cutting. The company has supplied few machines in the field and performance is satisfactory.
- Upgraded traditional product 'Paddy Separator' in all metallic construction. It has improved manufacturability, aesthetic and durability of the machine. The beneficial upgradation will be applied to all models.
- Re-design water polisher commonly called as Silky Machine to make it more user friendly as well as manufacturing process was improved to get better aesthetic and reduce manufacturing time.
- Further company is working on all new design of Table type paddy separator, Pre cleaners and Rice Polishers.

F Benefits derived like product improvement; cost reduction, new product development.

- Product Improvement: Product improvement has helped the company to be in race with the competitors for traditional products. Product manufacturing has improved by updating manufacturing technology and process improvements. It has resulted in reducing assembly time. It has also improved product aesthetics, maintainability and performance
- Cost Reduction: The various focused activities like Value Engineering, Material sourcing directly from manufacturers & their authorized dealers and change in manufacturing processes has resulted in cost reduction.
- New Product development: Total nine new products were developed in last three years & introduced in the market. Field testing is completed for eight products and performance is satisfactory. It has strengthened company's product portfolio to address full mill business with its own products.

F In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)

The company has not imported any technology in last financial year.

- Details of technology imported.  
Not applicable since it has not imported any technology in last financial year.
- Year of import.  
Not applicable
- Whether the technology has been fully absorbed.  
Not applicable
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and  
Not applicable
- Expenditure incurred on research & development Approx. Rs. 8.3 Lakhs.



# G. G. DANDEKAR MACHINE WORKS LIMITED

## ANNEXURE V TO THE DIRECTORS' REPORT

### INFORMATION FORMING PART OF THE DIRECTORS' REPORT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No	Particulars	After considering commission	
I	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	<b>Name of Director</b>	<b>Ratio</b>
		Mr. Nihal G. Kulkarni, Chairman	0.13
		Mr. Mangesh Joshi Executive Director	18.49
		Mr. Madhav R. Chandrachud	0.34
		Mr. Rajesh D. Phadke*	0.32
		Mr. Saurabh B. Patwardhan	0.23
		Mrs. Savita P. Sahasrabudhe	0.32
		Mr. Pawan J. Rathi*	N.A.
II	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Name of Director</b>	<b>Percentage +/- in the remuneration</b>
		Mr. Nihal G. Kulkarni, Chairman	-
		Mr. Mangesh Joshi Executive Director	-
		Mr. Madhav R. Chandrachud	-
		Mr. Rajesh D. Phadke*	-
		Mr. Saurabh B. Patwardhan	-
		Mrs. Savita P. Sahasrabudhe	-
		Mr. Pawan J. Rathi*	N.A.
		Mr. Sanket Gunjekar**	-
		Mr. Aneesh Parwani**	-
		Mr. Mahavir Barlota***	-
Mr. Ajay Shrivastava***	-		
III	The percentage increase in the median remuneration of employees in the financial year	NIL	
IV	The number of permanent employees on the rolls of Company during the Financial Year 2018-19	22 including Executive Director	
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and	NIL	
	its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	NIL	
VI	Affirmation	The Board affirms that the remuneration is as per the remuneration policy of the Company.	

\* Mr. Rajesh D. Phadke (Non-Executive and Independent Director) resigned from the office of Director w.e.f. 16.05.2019 and Mr. Pawan J. Rathi appointed as Additional Non-Executive and Independent Director on the Board w.e.f. 16.05.2019.

\*\* Mr. Aneesh Parwani and Mr. Sanket Gunjekar resigned from the office of Company Secretary and Chief Financial Officer w.e.f 16<sup>th</sup> November, 2018 and 03<sup>rd</sup> December, 2018 respectively.

\*\*\* Mr. Mahavir Barlota and Mr. Ajay Shrivastava appointed as Chief Financial Officer and Company Secretary w.e.f 14<sup>th</sup> February, 2019.

## Report on Corporate Governance

[Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, (the Amendment Regulations)]

### 1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE 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:

The Company's policy is to have an appropriate composition of Executive, Non-Executive and Independent Directors to maintain the independence of the Board.

#### a. Composition of the Board:

As at 31<sup>st</sup> March 2019, the Board comprised of six Directors. The Composition of the Board is as under:

Category of Directors	No. of Directors
Executive	1
Non-Executive and Independent	3
Non-Executive and Non Independent	2
<b>Total</b>	<b>6</b>

#### b. Number of Board Meetings:

During the financial year under review, five Board Meetings were held on 19<sup>th</sup> May, 2018, 24<sup>th</sup> July, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019.

#### c. Director's attendance record and directorships held:

The information on composition of the Board, category of Directors, attendance of each Director at Board Meetings held during the Financial Year 2018-19 and the Annual General Meeting (AGM) held on 21 September 2018, Directorships and Committee positions in other public companies of which the Director is a Member / Chairman / Chairperson, the shareholding of Non-Executive Directors (Refer Table A) and the names of the listed entities in which the Directors hold directorship and category thereof (Refer Table B), as at 31 March 2019, is as follows:

**Table A:**

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	
				Chairman	Member	Board	AGM
<b>Executive Directors (Whole time Director)</b>							
1.	Mr. Mangesh S. Joshi	1	-	-	-	5	Present
<b>Non Executive Directors</b>							
2.	Mr. Madhav R. Chandrachud	NIL	-	-	-	5	Present
3.	Mr. Nihal G. Kulkarni *	NIL	4	-	-	4	Absent
<b>Independent &amp; Non Executive Directors</b>							
4.	Mr. Rajesh D. Phadke (Resigned w.e.f. 16.05.2019)	NIL	1	-	-	5	Present
5.	Mr. Saurabh B. Patwardhan	NIL	-	-	-	5	Present
6.	Mrs. Savita P. Sahasrabudhe	NIL	-	-	-	5	Present
7.	Mr. Pawan J. Rathi (Director w.e.f. 16.05.2019)	NIL	-	-	-	N.A.	N.A.

Further no directors of the company are inter-se related to each other

## G. G. DANDEKAR MACHINE WORKS LIMITED

### Note:

- \* Deemed as Promoters within the meaning of Securities Exchange Board of India (SEBI) (Substantial Acquisition of Shares & Takeover) Regulations, 2011.
- \*\* Other Directorships excludes directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.
- \*\*\* For this purpose only Audit and Stakeholders' Relationship Committee of the Public Limited Companies has been considered as per Regulation 26(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Notes:

1. None of the Directors on the Board is a member of more than ten Committees and Chairperson of more than five Committees in all public limited companies whether listed or not, in which he is a director. All the Directors have made the requisite disclosures regarding committee positions held by them in other public limited companies.
2. As on 31 March 2019, none of the current Directors are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013 and Rules thereof.

**Table B:**

Name of Director	Name of the other listed entities in which Director holds Directorship	Category of Directorship
<b>Executive Directors (Whole Time Director)</b>		
Mr. Mangesh Joshi	Nil	N.A.
<b>Non-Executive and Non-Independent Directors</b>		
Mr. Nihal Kulkarni	1. Kirloskar Oil Engines Ltd.	Managing Director
	2. Kirloskar Industries Ltd.	Non-Independent Non-Executive Director
Mr. Madhav Chandrachud	Nil	N.A.
<b>Non-Executive and Independent Directors</b>		
Mr. Saurabh Patwardhan	Nil	N.A.
Mrs. Savita Sahasrabudhe	Nil	N.A.
Mr. Rajesh Phadke (Resigned w.e.f. 16.05.2019)	Nil	N.A.
Mr. Pawan Rathi (Additional Independent Director w.e.f. 16.05.2019)	Nil	N.A.

### Note:

- a. None of the Directors on the Board is a Director of more than eight listed entities nor is any Independent Director, an ID of more than seven listed entities as at 31 March 2019.
- d. **Criteria for performance evaluation:**  
The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Directors. The annual evaluation of Directors is made on the following criteria:
  - i. Attendance for the meetings, participation and independence during the meetings;
  - ii. Interaction with Management;
  - iii. Role and accountability of the Board and
  - iv. Knowledge and proficiency
- e. **Meeting of Independent Directors**  
Pursuant to provisions of Schedule IV of the Companies Act 2013 and the rules made there under, the Independent Directors of the Company shall hold at least one meeting in a year, without attendance of non-independent directors and members of the management. The meeting of Independent Directors was held on 14<sup>th</sup> February, 2019 to discuss, inter-alia:
  - (a) the performance of Non Independent Directors and the Board as a whole;

- (b) the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- (c) the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**f. Familiarization program for Independent Directors**

- Independent Directors of the Company are made aware of their role, rights and responsibilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. Further copies of Code of Conduct and Policies adopted by the Board as per regulatory provisions are made available to Independent Director at the time of joining.
- During quarterly Board Meetings, all Board Members are updated on regular basis, by way of presentations where Directors have an opportunity to interact with senior management personnel. Presentations cover, *inter alia*, quarterly and annual results, budgets, review of internal audit report, information on business performance, operations, financial parameters, senior management change, major litigations, compliances, risk management and regulatory scenarios and such other areas as may arise from time to time.
- The same is available on company's website [http://www.ggdandekar.com/en/Information/Code\\_of\\_Conduct/](http://www.ggdandekar.com/en/Information/Code_of_Conduct/)

**g. Code of Conduct**

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel. The Code of Conduct is available on the Company's website viz., [http://www.ggdandekar.com/en/Information/Code\\_of\\_Conduct/](http://www.ggdandekar.com/en/Information/Code_of_Conduct/). All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the Executive Director forms part to this Report.

**h. Information supplied to the Board**

The Agenda notes are circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to facilitate meaningful discussions and enable the Board to take appropriate decisions. As part of the process of good governance, the agenda also includes the progress on the decisions taken by the Board in its previous meeting(s). Among others, this includes:

- Review of annual operating plans of business, capital budgets, updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Material important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property
- Significant labour problems and their proposed solutions;
- Significant development in human resources and industrial relation fronts;
- 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.
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer or Company Secretary.

- i.** The table below summarizes core skills / expertise / competencies identified by the Board of Directors as required and available with the Board in the context of business of the Company for its effective functioning is as follows:

Sr. No.	Core Skills / Expertise / Competencies
1	Manufacturing / Operations
2	Sales & Marketing
3	Knowledge of Business sector
4	Accounts, Finance and Banking
5	Taxation and Fund Raising
6	Asset and Real Estate Management
7	Management and Planning
8	Strategic Planning
9	Communication and Interpersonal Skills

## G. G. DANDEKAR MACHINE WORKS LIMITED

### j. Confirmation on declarations given by Independent Directors:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Regulations.

The Board of Directors, after due assessment of veracity of the declarations received from the Independent Directors to the extent possible, confirms that, Independent Directors fulfill the conditions specified in the Regulations 25(8) of the Regulations and they are independent of the management.

### k. Reasons for the resignation of independent directors during the Financial Year 2018-19, if any:

There was no instance of resignation by any independent Director during the year. However, Mr. Rajesh Deepak Phadke resigned as an Independent Director with effect from 16 May 2019, due to his personal commitment elsewhere and paucity of time.

## 3. Audit Committee

### a. Composition

As at 31 March, 2019, the Audit Committee comprises of Four Non-Executive Directors, among which 3/4<sup>th</sup> of the members are Independent. The Company Secretary acts as the Secretary to the Committee. The Executive Director also attends the Audit Committee Meetings. The representatives of the Internal Auditors and Statutory Auditors are also invited to the meetings.

During the financial year under review, Five meetings of the Committee were held on 19 May, 2018, 24 July, 2018, 14 August, 2018, 14 November, 2018 and 14 February 2019.

The composition of the Committee and attendance at its meetings is given below:

Sr. No.	Name of the member Director	Category	Number of meetings attended
1.	Mr. Rajesh D. Phadke (Chairman) (Resigned w.e.f. 16.05.2019) Mr. Pawan Rathi (Chairman) (Additional Independent Director w.e.f. 16.05.2019)	Non Executive & Independent	5 N.A.
2.	Mr. Madhav R. Chandrachud	Non Executive & Non Independent	5
3.	Ms. Savita P. Sahasrabudhe	Non Executive & Independent	5
4.	Mr. Saurabh B. Patwardhan	Non Executive & Independent	5

### Terms of Reference

The terms of reference of the Audit Committee include the matters specified under Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as those in Section 177 of the Companies Act, 2013 and *inter-alia* includes the following:

- Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board, for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub - Section 3 of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualification in Draft Audit Report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Approving or any subsequently modifying transactions of the company with related parties.
9. Scrutinizing inter-corporate loans and investments.
10. Ensuring valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluating internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussing with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. Reviewing the functioning of the Whistle Blower mechanism.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
21. Mandatorily reviewing the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Internal Auditor.
22. Carrying out any other function as is mentioned in the terms of reference of Audit Committee as amended from time to time by the Listing Regulations and Companies Act, 2013.
  - b. Powers of Audit Committee**
    - To investigate any activity within its terms of reference.
    - To seek information from any employee.
    - To obtain outside legal or other professional advice.
    - To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **4. Nomination and Remuneration Committee**

##### **a) Composition**

As at 31<sup>st</sup> March, 2019, the Nomination and Remuneration Committee comprises of three Non-Executive Directors, majority of whom are Independent. The composition is in conformity with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year under review, three meetings of the Committee were held on 19<sup>th</sup> May, 2018, 24<sup>th</sup> July, 2018 and 14<sup>th</sup> February, 2019.

## G. G. DANDEKAR MACHINE WORKS LIMITED

The composition of the Committee and attendance at its meetings is given below:

Sr. No.	Name of the member Director	Category	Number of meetings attended
1.	Mr. Rajesh D. Phadke (Chairman - Resigned w.e.f. 16.05.2019)	Non-Executive Independent	3
	Mr. Pawan J. Rathi (Chairman) (Additional Independent Director w.e.f. 16.05.2019)	Non-Executive Independent	N.A.
2.	Mr. Madhav R. Chandrachud	Non-Executive Non Independent	3
3.	Mrs. Savita P.Sahasrabudhe	Non-Executive Independent	3

### b) Terms of Reference

The terms of reference of the Nomination and Remuneration Committee include the matters specified under Regulation 19(4) read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as those in Section 178 of the Companies Act, 2013 and *inter-alia* includes the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- v. Formulation of policy relating to the remuneration for the directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- vi. recommend to the board, all remuneration, in whatever form, payable to senior management.

### c) Remuneration to the Directors

#### 1. Remuneration to Directors

The Board has, on the recommendation of the Nomination and Remuneration Committee adopted the Nomination and Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration. The copy of the same has been attached as Annexure II to the Directors' Report.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Executive Director. The commission to the Executive Director is decided by the Nomination and Remuneration Committee on determination of the profits for the financial year and is also approved by the Board of Directors. The remuneration to the Executive Director is in accordance with the provisions of the Companies Act, 2013 and rules thereof and within ceiling prescribed thereunder.

Upon the recommendation of the Nomination and Remuneration Committee and based on the performance of the Company, the Board of Directors decide the remuneration to Non-Executive Directors by way of commission.

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.

## Details of the remuneration paid to Directors during Financial Year 2018-19

(Amount in ` )

Sr. No.	Name of Director	Salary (`)	Perquisites & Other Benefits (`)	Contribution to Statutory Funds (`)	Sitting Fees (`)	Commission (`)	Total (`)
	<b>Executive Director</b>						
1.	Mr. Mangesh S. Joshi	42,38,667	-	1,44,000	NA	-	43,82,667
	<b>Non-Executive Directors</b>						
2.	Mr. Nihal G. Kulkarni	-	-	-	30,000	-	30,000
3.	Mr. Madhav R. Chandrachud	-	-	-	80,000	-	80,000
4.	Mr. Rajesh D. Phadke (Resigned w.e.f. 16.05.2019)	-	-	-	75,000	-	75,000
5.	Mr. Saurabh B. Patwardhan	-	-	-	55,000	-	55,000
6.	Mrs. Savita P. Sahasrabudhe	-	-	-	75,000	-	75,000
7.	Mr. Pawan J. Rathi (Additional Independent Director w.e.f. 16.05.2019)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>	<b>42,38,667</b>	<b>-</b>	<b>1,44,000</b>	<b>3,15,000</b>		<b>46,97,667</b>

**5. Stakeholders' Relationship Committee:****a. Composition:**

The Stakeholders' Relationship Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. and redressal thereof. The Committee is headed by Mr. Madhav R. Chandrachud, Non-Executive and Non-Independent Director, with Mr. Nihal G. Kulkarni, Non-Executive Director, Mr. Mangesh S. Joshi, Executive Director and Mr. Pawan J. Rathi, Non-Executive and Independent Director, being the other members of the Committee.

During the financial year under review, two meeting of Stakeholders' Relationship Committee Meeting was held on 19<sup>th</sup> May, 2018 and 14<sup>th</sup> February, 2019.

Mr. Aneesh Parwani resigned from the office of Company Secretary and Compliance Officer w.e.f. 16<sup>th</sup> November, 2018.

Mr. Ajay Shrivastava is appointed as Company Secretary and Compliance Officer w.e.f. 14<sup>th</sup> February, 2019

The Compliance Officer can be contacted at:

**G. G. Dandekar Machine Works Limited**

211/A, MIDC Butibori Industrial Area,  
Kinho Village, Tal. Hingana, Dist. Nagpur 441122  
Tel.: (07104) 667300; Fax: (07104) 667302  
E-mail: cs@ggdandekar.com

With reference to Regulation 6(2)(d) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 the Company has designated exclusive e-mail id for the investors as ir@ggdandekar.com to register their grievances, if any. This has been initiated by the Company to resolve such Investors' grievances immediately. The Company has displayed the said e-mail id on its website for the use of investors.

**b. Terms of reference:**

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

The Company had no share transfer requests pending as on 31 March 2019.

During the year ended 31<sup>st</sup> March, 2019, no investor complaint was received and there were no complaints outstanding as on 31<sup>st</sup> March 2019.



## G. G. DANDEKAR MACHINE WORKS LIMITED

### 6. General Body Meetings

The last three Annual General Meetings of the shareholders of the Company were held as under-

Financial Year	Date	Type of Meeting	Venue	Time	Special Resolutions passed
2017-18	21 <sup>st</sup> September 2018	Annual General Meeting	211/A, MIDC Butibori Industrial Area, Kinhi Village, Tal. Hingana, Dist. Nagpur 441122	11.00 a.m	Re-appointment of Executive Director Mr. Mangesh Joshi for a period of 3 years.
2016-17	09 <sup>th</sup> August 2017	Annual General Meeting	211/A, MIDC Butibori Industrial Area, Kinhi Village, Tal. Hingana, Dist. Nagpur 441122	11.00 a.m	-
2015-16	09 <sup>th</sup> August 2016	Annual General Meeting	211/A, MIDC Butibori Industrial Area, Kinhi Village, Tal. Hingana, Dist. Nagpur 441122	11.00 a.m.	-

At present, special resolution for re-appointment of Independent Director Mr. Saurabh Patwardhan for a second term of 5 years is proposed to be passed at the ensuing Annual General Meeting.

### 7. Resolutions passed by Postal Ballot

No special resolutions passed at the above Annual General Meetings were required to be passed through postal ballot.

### 8. MEANS OF COMMUNICATION

#### a. Quarterly results

The Quarterly and Half Yearly results are published in national and local dailies, namely Financial Express (English) / Free Press Journal (English) and Loksahi Varta/Mahasagar (Marathi), having wide circulation. Since the results of the Company are published in the newspapers, half yearly reports are not sent individually to the shareholders.

The Company's results and official news releases are displayed on the Company's website namely [www.ggdandekar.com](http://www.ggdandekar.com)

#### b. The BSE Corporate Compliance and Listing Centre (the 'Listing Centre')

The Listing Centre of BSE is web based application designed by BSE respectively for the Corporate. All periodicals compliance filings like shareholding pattern, corporate governance report, quarterly results etc. are filed electronically on the Listing Centre of BSE.

#### c. The Management Discussion and Analysis Report forms part of this Annual Report.

**9. GENERAL SHAREHOLDER INFORMATION****a. Annual General Meeting**

Corporate Identification Number (CIN)	L99999MH1938PLC002869
Name and Registered office of the Company	G. G. Dandekar Machine Works Limited, 211/A, MIDC Buti Bori Industrial Area, Village Kinhi, Tal. Hingana, Dist. Nagpur, Pin-441122.
Annual General Meeting	Date and Day : 27 <sup>th</sup> September, 2019, Friday Time : 11:30 am Venue : 211/A, MIDC Butibori Industrial Area, Kinhi Village, Tal. Hingana, Dist. Nagpur 441122
Book Closure	21 <sup>st</sup> September 2019 to 27 <sup>th</sup> September 2019
Last date of receipt of proxy forms	25 <sup>th</sup> September 2019
Financial Year 2018-19	During the year the financial results were announced as under: First quarter : 19 <sup>th</sup> May 2018 Second quarter : 14 <sup>th</sup> August 2018 Third quarter : 14 <sup>th</sup> November 2018 Annual : 14 <sup>th</sup> February 2019
International Security Identification Number (ISIN)	INE631D01026
Name and address of stock exchange where shares are listed	BSE Limited (BSE), Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001
Stock Code	505250
Payment of annual listing fees	The annual listing fees have been paid to BSE.
Designated E-mail address for investor services	ir@ggdandekar.com

**b. Shareholding Pattern as on 31<sup>st</sup> March 2019**

Sr. No.	Category	No. of shares	% of Share holding
1	Promoters	2866470	60.21
3	Clearing Members	24861	0.52
4	Other Bodies Corporate	307663	6.46
5	Hindu Undivided Family	55604	1.17
6	NRI (Repatriable)	65202	1.37
7	NRI (Non- Repatriable)	17858	0.37
8	General Public	1229245	25.82
9	GIC & Its Subsidiaries	135680	2.85
10	Non Nationalised Banks	900	0.02
11	Investor Education and Protection Fund	57904	1.21
	<b>TOTAL</b>	<b>47,61,387</b>	<b>100.00</b>

## G. G. DANDEKAR MACHINE WORKS LIMITED

### c. Distribution of Shareholding as on 31<sup>st</sup> March 2019

Shareholding of nominal value of		Shareholders		No. of Shares (Nominal Value @ ₹ 1)	
		Number	% to Total	Number	% to Total
(1)		(2)	(3)	(4)	(5)
1	5000	2208	97.78	8,25,772	17.34
5001	10,000	23	1.02	1,73,753	3.65
10,001	20,000	11	0.49	1,50,740	3.17
20,001	30,000	4	0.18	92,150	1.93
40,001	50,000	3	0.13	1,29,819	2.73
50,001	1,00,000	2	0.09	1,19,929	2.52
1,00,001 and above		7	0.31	32,69,224	68.66
<b>TOTAL</b>		<b>2258</b>	<b>100</b>	<b>47,61,387</b>	<b>100.00</b>

### d. Dematerialization of Shares and Liquidity

Dematerialisation of shares and liquidity (as on 31 <sup>st</sup> March 2019)	45,29,541
Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued GDRs / ADRs / Warrants or any Convertible instruments.

There were no outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, which are likely to cause impact on equity during the year under review.

### Commodity price risk or foreign exchange risk and hedging activities:

Not applicable, since the Company does not procure any commodities or have any forex inflows or Outflows.

### e. Market Price Data

Monthly high / low during the year 2018-19 on the BSE are as under:

Stock Exchange	BSE	
	High (₹)	Low (₹)
Month		
April 2018	88.60	70.00
May 2018	90.00	70.65
June 2018	85.00	74.95
July 2018	90.00	71.55
August 2018	80.00	67.00
September 2018	74.90	60.30
October 2018	73.75	64.00
November 2018	74.70	62.00
December 2018	70.00	58.50
January 2019	69.95	59.45
February 2019	68.00	56.05
March 2019	67.65	54.10

- f. **Performance of monthly close price of the Company's scrip on the BSE as compared to the monthly close S&P BSE Sensex for the year 2018-19:**



g. **Share Transfer System**

- a) The requests for effecting transfer of securities (except in case of transmission or transposition of securities) will not be permitted unless the securities are held in the dematerialised form with a depository after 31 March 2019, as per SEBI Notification LIST/COMP/15/2018-19 dated 5 July 2018, read with SEBI press release 51/2018 dated 3 December 2018. However, there is no restriction on transmission / transposition of securities held in physical form.

During the year under review, applications for transfer of shares in physical forms are processed by the Registrar and Share Transfer Agent of the Company and are returned after registration of transfer with 15 days from the date of the receipt, subject to the validity of all documents lodged with the Company. The transfer applications are approved at regular interval.

- b) Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis is issued by the Practicing Company Secretary for compliance with share transfer formalities by the Company.

h. **Registrar and Share Transfer Agent (R & T Agent)**

The entire work of the Company, relating to processing of transfer of shares has been given to an outside agency i.e., Link Intime India Private Limited being a SEBI Registered R & T Agent. The contact details are as follows –

<b>Link Intime India Private Limited</b>	'Akshay' Complex, Block No. 202, 2nd Floor, Off Dhole Patil Road, Pune – 411 001 Tel: (020) 2616 1629 / 2616 0084 Email: pune@linkintime.co.in
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i. **List of all credit ratings obtained by the Company during the financial year:**

Not applicable.

j. **Member References**

- Permanent Account Number (PAN)

As per SEBI's guidelines and as informed from time to time by the Company, members who continue to hold shares in the physical form shall furnish a copy of PAN Card in the following cases:

- a) Transferees' and Transferors' PAN Cards for transfer of shares,
- b) Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,
- c) Legal heirs' PAN Cards for transmission of shares,
- d) Joint holders' PAN Cards for transposition of shares.

- **Email Address**

In order to enable us to further extend our support towards paperless compliance as a part of Green Initiative in the Corporate Governance, which was introduced by the Ministry of Corporate Affairs (MCA) in the year 2011, the shareholders who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

Members who continue to hold shares in physical form are requested to register their e-mail addresses with the Company / the Registrar and Share Transfer Agent (the R & T Agent) and with Depository Participants (DPs) in case of shares held in dematerialized form.

- **Dematerialization of shares**

As communicated by the Company from time to time, members who hold shares in physical form are requested to

## G. G. DANDEKAR MACHINE WORKS LIMITED

dematerialise their shares through any of the nearest Depository Participants (DPs), to be able to transfer the shares.

Further, dematerialization of shares avoid hassles involved with physical shares such as possibility of loss / mutilation of share certificate(s), and to ensure safe and speedy transaction in securities.

- **Register Your National Electronic Clearing Services (NECS) Mandate**

The Reserve Bank of India (RBI) has initiated NECS for credit of Dividend directly to the Bank Account of shareholders. Members holding shares in electronic mode are requested to register their latest Bank Account details with their Depository Participant and in physical form with the Company's Registrar and Share Transfer Agent viz. Link Intime India Private Limited.

- **Address for correspondence**

Shareholders' correspondence should be addressed to Link Intime India Private Limited, Registrar and Share 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)

- **CEO / CFO Certification**

The CEO/CFO certificate signed by Mr. Mangesh S. Joshi, Executive Director and Mr. Mahavir Barlotia, Chief Financial Officer was placed before the meeting of the Board of Directors held on 16<sup>th</sup> May, 2019.

### 10. OTHER DISCLOSURES

The Company has complied with the other disclosure requirements of Schedule V of the Regulations.

#### a. Related Party Transactions

During the Financial Year under review, there was no materially significant related party transaction made by the Company, as defined in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that may have potential conflict with the interest of the Company at large. The disclosures as per IND-AS 24 for transactions with related parties are provided in the Financial Statements of the Company.

#### b. Details of capital market non-compliance, if any

There have been no instances of non-compliances 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 Exchange Board of India (SEBI) or any other statutory authority, on any matter related to capital markets.

#### c. Whistle Blower Policy / Vigil Mechanism

The Board of Directors has adopted a Whistle Blower Policy / Vigil Mechanism ('the Policy'). This Policy has provided a mechanism for Directors and employees of the Company and other persons dealing with the Company to report genuine concerns including but not limited to unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct for Board of Directors and Senior Management (the Code) or ethics policy or leakage of Unpublished Price Sensitive Information (UPSI), by any person, who is in possession of UPSI, to any other person in any manner whatsoever, except as otherwise permitted under the SEBI (Prohibition of Insider Trading) Regulations any other instance, to the Chairman of the Audit Committee.

The policy has also been uploaded on the Company's website at [http://www.ggdandekar.com/en/Information/Code\\_of\\_Conduct/](http://www.ggdandekar.com/en/Information/Code_of_Conduct/)

#### d. Policy for determining 'material' subsidiaries

Since Company does not have any subsidiary during the year under review, it was not required to formulate policy for determining 'material' subsidiaries and accordingly disseminate the information about the same on website of the Company as required under Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### e. Policy on materiality of related party transactions and dealing with related party transactions

As required under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions which has been put on the website of the Company at [http://www.ggdandekar.com/en/Information/Code\\_of\\_Conduct/](http://www.ggdandekar.com/en/Information/Code_of_Conduct/)

### 11. Listing Fees

The Annual Listing Fees for the year under review have been paid to BSE Limited, where the Company's shares are listed.

Further the correspondence address of the Stock Exchanges is as follows:

BSE Limited	BSE Limited (BSE), Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001
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**12. Disclosures of the compliance with corporate governance**

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-Regulation (2) of Regulation 46 of the Regulations.

**13. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

Not applicable.

**14. A certificate from Mr. Mahesh Athavale, Practising Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority, has been obtained.****15. Recommendations given by the Committees of the Board:**

During the year under review, the Board has accepted all the recommendations given by the Committees of the Board, which are mandatorily required

**16. Statement of fees paid by the Company to Statutory Auditors:**

During the Financial Year 2018-19, the Company has processed invoices of statutory fees, certification fees and other services to the Statutory Auditors.

**17. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:**

Number of Complaints pending at the beginning of financial year	Nil
Number of Complaints filed during the financial year	Nil
Number of Complaints disposed of during the financial year	Nil
Number of Complaints pending at the end of financial year	Nil

**18. DISCRETIONERY REQUIREMENTS**

The Company has complied with the mandatory requirements of Regulation 34 (3) read with Schedule V of the Regulations. The extent of adoption of discretionary requirements as per Regulation 27 (1) read with Part E of Schedule II of the Regulations, are as follows:

**1. Shareholder Rights**

Since the 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 Stock Exchange, the Company does not send any communication of half yearly performance to the members.

**2. Modified opinion in Audit Report:**

The Company already is in the regime of un-qualified Financial Statements. There are no modified audit opinions on the Financial Statements of the Company for the year ended 31 March 2019, made by the Statutory Auditors in their Audit Report.

**19. OTHER REQUIREMENTS:****1. Disclosure under Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of unclaimed shares**

Pursuant to Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has sent reminders to those shareholders, whose share certificates have returned undelivered by the postal authorities due to insufficient / incorrect information and are lying with the Company. These share certificates will be sent to eligible shareholders, if these shareholders submit necessary documents to the Company.

As on 31st March 2019, the total unclaimed equity shares are 4,770.

**2. PARTICULARS OF APPOINTMENT / RE-APPOINTMENT OF DIRECTORS**

The brief resume and other details relating to the Directors who are proposed to be appointed / re-appointed, as required to be disclosed under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of the Explanatory Statement setting out material facts annexed to the Notice of the Annual General Meeting.

# G. G. DANDEKAR MACHINE WORKS LIMITED

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## DECLARATION UNDER SCHEDULE V (D) OF THE LISTING REGULATIONS BY THE EXECUTIVE DIRECTOR OF AFFIRMATION BY THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF COMPLIANCE WITH THE CODE OF CONDUCT

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### To the members of G. G. Dandekar Machine Works Limited

Pursuant to Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board as 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 Limited

Sd/-

**Mangesh S. Joshi**  
Executive Director  
DIN: 07244555

Date: 16<sup>th</sup> May 2019  
Place: Pune

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## REPORT OF THE AUDITORS ON CORPORATE GOVERNANCE TO THE MEMBERS

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### To the members of G. G. Dandekar Machine Works Limited

We have examined the compliance of conditions of Corporate Governance by **G.G. DANDEKAR MACHINE WORKS LIMITED** ("the Company") for the year ended 31<sup>st</sup> March, 2019 as per the relevant provisions of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

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

For KANJ & CO. LLP  
Company Secretaries

Sd/-

**Mahesh A. Athavale**  
Designated Partner

Place: Pune  
Date: 06<sup>th</sup> August, 2019

## Independent Auditor's Report

To the Members of  
G. G. Dandekar Machine Works Limited,  
Nagpur.

### Report on the audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of G. G. Dandekar Machine Works Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March, 2019, and total comprehensive income (financial performance comprising loss and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. Description of each key audit matter in accordance with SA 701.

Sr. No.	The key audit matters	How our audit addressed the key audit matters
1.	<p><u>Disrupted activity of manufacture and sale of Food Processing Machinery:</u></p> <p>After shifting the manufacturing operations from Bhiwandi to Nagpur in FY 2014-15, Company's manufacturing activity was expected to be disrupted temporarily. However, the company has not been able to stabilise the activity even though significant time period has elapsed since the shifting. The activity is also facing a situation of negative working capital. This has resulted in piling up of creditors even after the funds infusion. This has also adversely affected the manufacturing schedules and consequently resulted in delays in execution of sales orders.</p>	<ul style="list-style-type: none"> <li>• We discussed with the Management and Management informed us initiatives/ efforts taken by the Company to streamline the operations.</li> <li>• Accordingly, the management is making funds available by selling of investments as and when required. Recruitments have been done on all the important positions.</li> <li>• Further the management is also in the process of identifying a partner to improve technological capability of the Company.</li> <li>• The management is confident that above steps will help to streamline the operations.</li> </ul>



## G. G. DANDEKAR MACHINE WORKS LIMITED

Sr. No.	The key audit matters	How our audit addressed the key audit matters
2	<p><u>Assessments/ litigations in respect of Sales Tax:</u></p> <p>The Company has pending litigations in respect of certain sales tax matters. In this regard, the Company has recognised provisions and has disclosed contingent liabilities as at March 31, 2019.</p> <p>Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made.</p> <p>We focused on this area as the ultimate out come of the matters is uncertain and the positions taken by the management are based on the application of judgement, related legal advice.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>• We read and analysed relevant correspondences, external legal consultations undertaken by the Management for uncertain tax positions;</li> <li>• We discussed with the Management and evaluated Management's assumptions in estimating the tax provisions and assessed Management's estimate of the possible out come of the disputed cases.</li> </ul>

### Other Information

6. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors report thereon.
7. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

9. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("the Rules").
10. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IndAS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the audit of the financial statements

12. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

17. As required by the Companies (Auditors' Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of section 143(11) of the Act, we enclose in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. As required by sub-section 3 of Section 143 of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

## G. G. DANDEKAR MACHINE WORKS LIMITED

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- e) On the basis of the written representations received from the Directors as on 31 March, 2019, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March, 2019 from being appointed as a Director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B" to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and
  - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
- h) With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For Joshi & Kulkarni**  
Chartered Accountants  
[F.R. No. 115751-W]

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133

Place : Pune  
Date : 16.05.2019

**“Annexure -A”to Independent Auditor's Report**

(Referred to in paragraph 17 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- b) The Company has physically verified all of its fixed assets during the year. No material discrepancies have been noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 8 to the standalone financial statements, are held in the name of the Company, except land located at Plot no. 59, Dandekarwadi, Bhiwandi.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to information and explanations given to us, the Company has not given loans, made investments or given guarantees which are covered by the provisions of Section 185 and Section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and records of the company examined by us, the company generally is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, service tax, value added tax, cess and any other material statutory dues with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable;
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, value added tax, Service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this report
- (viii) The Company does not have any loans or borrowings from any bank or financial institution or Government, nor has it issued any debentures, as at the balance sheet date accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.

## G. G. DANDEKAR MACHINE WORKS LIMITED

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- (xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations give to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

**For Joshi & Kulkarni**  
Chartered Accountants  
[F.R. No. 115751-W]

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133

Place : Pune  
Date : 16.05.2019

### ANNEXURE – I

<b>Statute</b>	<b>Forum with Dispute is pending</b>	<b>Amount (net of payments made) (Rs. in Lacs)</b>
Income Tax Act, 1961	High Court (Mumbai)	394.34
Income Tax Act, 1961	Assistant Commissioner of Income Tax	14.62
Income Tax Act, 1961	Deputy Commissioner of Income Tax	296.40
Wealth Tax Act, 1957	Commissioner of Wealth Tax (Appeals)	22.64
Maharashtra Value Added Tax, 2002 and Central Sales Tax	Commissioner of Sales Tax	389.76
Maharashtra Value Added Tax, 2002 and Central Sales Tax	Assistant Commissioner of Sales Tax	57.50

**“Annexure–B” to the Independent Auditor's Report**

(Referred to in Paragraph 18(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013('the Act')**

1. We have audited the internal financial controls over financial reporting of G. G. Dandekar Machine Works Limited (“the Company”) as of 31 March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013 ('the Act').

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the 'Guidance Note' issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

**For Joshi & Kulkarni**  
Chartered Accountants  
[F.R. No. 115751-W]

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133

Place : Pune  
Date : 16.05.2019

**G. G. DANDEKAR MACHINE WORKS LIMITED**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

Sr.No.	PARTICULARS	Note No.	AS AT 31.03.2019	AS AT 31.03.2018
			₹	₹
	<b>ASSETS</b>			
1.	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	7	106,497,272	127,503,051
	(b) Intangible Assets	7	362,341	639,239
	(c) Financial Assets			
	(i) Investments	8	258,986,027	275,658,288
	(ii) Loans	9	599,300	512,300
			<u>366,444,940</u>	<u>404,312,878</u>
2.	<b>Current assets</b>			
	(a) Inventories	10	12,177,036	11,522,707
	(b) Financial Assets			
	(i) Trade Receivables	11	1,424,131	4,747,165
	(ii) Cash and Cash Equivalents	12	381,337	17,662,909
	(iii) Bank Balances other than (iii) above	13	-	306,138
	(iv) Others	14	26,598,176	13,486,537
	(c) Current Tax Assets (Net)	15	12,291,663	10,851,162
	(d) Other Current Assets	16	1,758,208	818,740
			<u>54,630,551</u>	<u>59,395,357</u>
3	Assets classified as held for sale		402,966	112,320
	<b>TOTAL</b>		<u>421,478,457</u>	<u>463,820,555</u>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	17	4,761,387	4,761,387
	(b) Other equity	18	348,670,542	398,247,794
			<u>353,431,929</u>	<u>403,009,181</u>
	<b>Non-Controlling Interest</b>			
	<b>Liabilities</b>			
1	<b>Non-current liabilities</b>			
	(a) Provisions	19	205,623	289,776
	(b) Deferred Tax Liabilities (Net)	20	9,447,159	9,472,796
	(c) Other Non-Current Liabilities	21	106,000	106,000
			<u>9,758,782</u>	<u>9,868,572</u>
2	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade Payables	22	24,440,955	18,757,303
	(ii) Other Financial Liabilities	23	17,044,382	16,927,319
	(b) Other Current Liabilities	24	6,666,210	5,067,583
	(c) Provisions	25	10,136,200	10,190,597
			<u>58,287,746</u>	<u>50,942,802</u>
3	Liabilities associated with assets held for sale		-	-
	<b>TOTAL</b>		<u>421,478,457</u>	<u>463,820,555</u>

As per our report of even date attached

For and on behalf of the Board of Directors

For Joshi & Kulkarni  
Chartered Accountants  
[F.R. No. 115751-W]

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133  
Place : Pune  
Date : 16.05.2019

Sd/-  
**Ajay Shrivastava**  
Company Secretary

Sd/-  
**Mahavir Barlota**  
Chief Financial Officer

Sd/-  
**Mangesh Joshi**  
Executive Director  
DIN 07244555

Sd/-  
**Nihal Kulkarni**  
Chairman  
DIN 01139147



# G. G. DANDEKAR MACHINE WORKS LIMITED

## G. G. DANDEKAR MACHINE WORKS LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

Sr.No.	PARTICULARS	Note No.	For the year ended on 31st March, 2019 ₹	For the year ended on 31st March, 2018 ₹
<b>1</b>	<b>INCOME</b>			
	(a) Revenue from Operations	26	47,684,431	88,007,216
	(b) Other Income	27	5,570,445	10,957,092
	<b>Total Income</b>		<b>53,254,876</b>	<b>98,964,308</b>
<b>2</b>	<b>EXPENSES</b>			
	(a) Cost of Materials Consumed	28	28,333,321	46,332,653
	(b) Changes in Inventories of Finished Goods, Work-in-progress & Stock-in-trade	29	(688,707)	7,573,102
	(c) Employee Benefits Expense	30	23,699,999	28,227,748
	(d) Finance Costs	31	-	2,245,862
	(e) Depreciation & Amortization Expense	7	21,047,595	11,588,563
	(f) Operational & Other Expenses	32	22,523,750	41,177,676
	<b>Total Expenses</b>		<b>94,915,958</b>	<b>137,145,604</b>
<b>3</b>	<b>Profit/ (Loss) before exceptional items and tax</b>		<b>(41,661,082)</b>	<b>(38,181,297)</b>
	Add / (Less): Exceptional Items			
	Impairment Loss		-	-
<b>4</b>	<b>Profit/ ( Loss) Before Tax</b>		<b>(41,661,082)</b>	<b>(38,181,297)</b>
<b>5</b>	<b>Less: Tax Expense</b>			
	(a) Current Tax		-	4,153,000
	(b) Tax relating to prior period		-	1,364,925
	(c) Deferred Tax		(25,638)	2,462,332
			(25,638)	7,980,257
<b>6</b>	<b>Profit/ ( Loss) for the period</b>		<b>(41,635,444)</b>	<b>(46,161,554)</b>
<b>7</b>	<b>Other Comprehensive Income</b>			
	(a) Items that will not be reclassified to profit or loss		-	-
	Remeasurement of post employment benefit obligations		555,024	311,671
	Changes in fair value of FVOCI Equity Instruments		(8,496,832)	68,031,814
	(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
	(c) Items that will be reclassified to profit or loss		-	-
	(d) Income tax relating to items that will be reclassified to profit or loss		-	-
			(7,941,808)	68,343,485
<b>8</b>	<b>Total Comprehensive Income for the period</b>		<b>(49,577,252)</b>	<b>22,181,931</b>
<b>9</b>	<b>Earnings Per Equity Share: Basic &amp; Diluted</b>		<b>(8.74)</b>	<b>(9.69)</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For Joshi & Kulkarni  
Chartered Accountants  
[F.R. No. 115751-W]

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133  
Place : Pune  
Date : 16.05.2019

Sd/-  
**Ajay Shrivastava**  
Company Secretary

Sd/-  
**Mahavir Barlota**  
Chief Financial Officer

Sd/-  
**Mangesh Joshi**  
Executive Director  
DIN 07244555

Sd/-  
**Nihal Kulkarni**  
Chairman  
DIN 01139147

**G. G. DANDEKAR MACHINE WORKS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH 2019**

(Amount in `)

PARTICULARS			Number of Shares	Amount
<b>1 EQUITY SHARE CAPITAL</b>				
Balance as at 1 April 2018			4,761,387	4,761,387
Shares issued during the year			-	-
Balance as at 31 March 2019			4,761,387	4,761,387
PARTICULARS	General Reserves	Retained Earnings	Other Comprehensive Income	Total
<b>2 OTHER EQUITY</b>				
<b>Opening Balance as on 1 April, 2018</b>	97,760,971	56,626,596	243,860,228	398,247,794
<b>Total Comprehensive Income for the year</b>				
Profit/(Loss) for the year	-	(41,635,444)	-	(41,635,444)
Remeasurements gains/(loss) on defined benefit plans	-	-	555,024	555,024
Fair value changes in Equity instruments	-	-	(8,496,832)	(8,496,832)
Realised Gain on Sale of Investments	-	5,085,473	(5,085,473)	-
<b>Balance as on 31 March, 2019</b>	<b>97,760,971</b>	<b>200,76,625</b>	<b>230,832,947</b>	<b>348,670,542</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For Joshi & Kulkarni  
Chartered Accountants  
[F.R. No. 115751-W]

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133  
Place : Pune  
Date : 16.05.2019

Sd/-  
**Ajay Shrivastava**  
Company Secretary

Sd/-  
**Mahavir Barlota**  
Chief Financial Officer

Sd/-  
**Mangesh Joshi**  
Executive Director  
DIN 07244555

Sd/-  
**Nihal Kulkarni**  
Chairman  
DIN 01139147

# G. G. DANDEKAR MACHINE WORKS LIMITED

## G. G. DANDEKAR MACHINE WORKS LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

PARTICULARS	For the Year Ended on 31.03.19	For the Year Ended on 31.03.18
	₹	₹
<b>Cash Flow from Operating Activities</b>		
Net Profit before tax	(41,661,082)	(38,181,297)
Adjustment for:		
- Depreciation	21,047,595	11,588,563
- Gratuity	555,024	-
- Deferred Tax Assets	25,638	-
- Provision for sales tax liability	-	1,480,976
- Sundry Balances written back	-	(684,154)
- Interest Expenses	-	2,245,862
- Interest & Dividend received	(2,837,136)	(2,564,716)
<b>Operating profit before working capital changes</b>	<b>(22,869,962)</b>	<b>(26,114,766)</b>
(Increase) / Decrease in Other Non Current asset	(87,000)	596,693
(Increase) / Decrease in Inventories	(654,329)	9,743,895
(Increase) / Decrease in Trade receivables	3,323,034	(3,146,581)
(Increase) / Decrease in Other Current Assets	(13,744,969)	2,140,799
Increase / (Decrease) in Provisions	(164,188)	940,031
Increase / (Decrease) in Trade Payables	5,683,652	(9,469,924)
Increase / (Decrease) in Other Financial Liabilities	117,064	(9,008,095)
Increase / (Decrease) in Other Current Liabilities	1,598,628	(66,469)
<b>Cash generated from operations</b>	<b>(26,798,070)</b>	<b>(34,384,417)</b>
Direct Taxes (Paid)/Refunded	(1,440,501)	(2,964,934)
<b>Net cash from operating activities</b>	<b>(28,238,572)</b>	<b>(37,349,351)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(55,564)	(154,762)
Interest & Dividend received	2,837,136	2,564,716
Proceeds / (Repayment) from Non Current Investments	8,175,428	71,879,144
<b>Net Cash flow from investing activities</b>	<b>10,957,000</b>	<b>74,289,098</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds / (Repayment) from / of short term borrowings	-	(20,241,846)
Interest paid	-	(2,245,862)
<b>Net Cash flow from Financing Activities</b>	<b>-</b>	<b>(22,487,708)</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>(17,281,572)</b>	<b>14,452,039</b>
Cash and cash equivalents at beginning of the year	17,662,908	3,210,869
<b>Cash and cash equivalents at end of the year*</b>	<b>381,336</b>	<b>17,662,908</b>

\*Excludes ` Nil (Previous Year ` 306,138) on account of unclaimed dividend.

As per our report of even date attached

For and on behalf of the Board of Directors

For Joshi & Kulkarni  
Chartered Accountants  
[F.R. No. 115751-W]

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133  
Place : Pune  
Date : 16.05.2019

Sd/-  
**Ajay Shrivastava**  
Company Secretary

Sd/-  
**Mahavir Barlota**  
Chief Financial Officer

Sd/-  
**Mangesh Joshi**  
Executive Director  
DIN 07244555

Sd/-  
**Nihal Kulkarni**  
Chairman  
DIN 01139147

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2019****1. Company Overview:**

G. G. Dandekar Machine Works Limited ('the Company') is a Public Limited Company domiciled in India, incorporated under the provisions of the Companies Act applicable in India and listed on BSE. The Registered Office of the Company is situated at 211/A, MIDC Butibori Industrial Area, Kinhi Village, Tal. Hingna, Dist. Nagpur 441122.

The Company is engaged in the manufacturing of "Food Processing Machineries".

These standalone financial statements were approved for issue by the Board of Directors on 16 May, 2019.

**2. Basis of Preparation, Presentation and Measurement:**

These financial statements of the Company comply in all material respects, with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015 ('Rules'), as amended and other relevant provisions of the Act.

These financial statements have been prepared on accrual basis and under historical cost convention, except for certain financial assets and financial liabilities that have been measured at fair value.

These financial statements are presented in Indian Rupees (?), unless otherwise stated.

**3. Basis of Current and Non-Current Classification:**

All assets and liabilities have been classified as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of the activities and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of Current/ Non-Current classification of assets and liabilities.

**4. Use of Estimates:**

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that may affect the reported amounts in the Balance Sheet, Statement of Profit and Loss and related disclosures of the contingent liabilities and others at the end of each reported period.

The estimates are based on the management's best knowledge of current events and actions. However, due to uncertainties relating to these judgments, assumptions and estimates, the actual amounts may differ. Estimates and underlying assumptions are reviewed on ongoing basis on each reporting date and may change from period to period. Appropriate changes in estimates are made prospectively, when the management becomes aware of changes in circumstances surrounding the estimates and the differences, if any, between the actual results and estimates are recognized in the period in which the results are known or materialized and, if material, their effects are disclosed in the notes to the Financial Statements.

**5. Significant Accounting Policies:****5.1. Property, Plant and Equipment (PPE)-**

An item of PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. PPE is stated at its original cost net of tax / duty credits availed, if any, but including borrowing costs for qualifying assets and other attributable costs incurred for bringing the asset to its working condition for its intended use, less accumulated depreciation and cumulative impairment, if any.

Subsequent expenditure incurred is included in the asset's carrying amount appropriately, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of Profit and Loss during the reporting period in which they are incurred.

Items of PPE not ready for its intended use on the reporting date are disclosed as "Capital Work in Progress".

An item of PPE is de-recognized upon disposal or when retired from active use when no future benefits are expected from its use. Gains/ losses on de-recognition are recognized in the statement of Profit and Loss.

**5.2. Intangible Assets-**

An Intangible asset is recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably and is stated at cost less accumulated amortization and impairments, if any.

Software, which is not an integral part of the related hardware, is classified as an intangible asset.

The carrying amount of an intangible asset is de-recognized on disposal or when no future economic benefits are expected to flow from its use or disposal. The gain or loss arising from de-recognition is recognized in the Statement of Profit and Loss.

### **5.3. Depreciation and Amortization-**

- a. Depreciation on fixed assets is charged on Written Down Value method using the useful lives and residual values of all the assets, as prescribed under Part – C of Schedule II to the Companies Act, 2013, except as stated in para (b) & (c) below
- b. Leasehold land is amortized on straight line basis over the period of lease.
- c. Computer Software are being amortized on Straight Line basis over a period of 6 years.

### **5.4. Non- Current Assets Held for Sale-**

The Company classifies non-current assets as held for sale if their carrying amounts are expected to be recovered principally through sale transaction rather than through continuing use. Non-current assets, classified as held for sale are measured at the lower of their carrying amounts and the fair value less costs to sell. The criteria for assets held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

### **5.5. Impairment of Non-Financial Assets-**

As at each reporting date, the Company assesses the situation, whether there is an indication that a non-financial asset is required to be impaired and also whether there is an indication of reversal of impairment, if any, recognized in the previous periods. The impairment loss, if any, is recognized in the statement of profit and loss. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

### **5.6. Financial Instruments-**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **a) Financial Assets-**

##### **i. Initial Recognition**

All financial assets are recognised initially at transaction value and where such transaction values are different from fair value, at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets that are not recognised at fair value through profit and loss account.

##### **ii. Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

###### Financial Assets measured at Amortised Cost

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent measurement is done using effective interest rate (EIR) method and resultant interest income from these financial assets is included in finance income. Impairment losses and reversals thereof arising on these assets are recognised in the Statement of Profit and Loss.

###### Financial Assets Measured at Fair Value through Other Comprehensive Income

Financial assets are measured at fair value through Other Comprehensive Income (OCI), if financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and to sell financial assets and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent measurement, until they are derecognised or reclassified, is done at fair value and unrealised gains and losses

are recognised in other comprehensive income except for the recognition of impairment losses and reversals thereof, interest revenue and foreign exchange gains and losses are recognised in the Statement of Profit and Loss.

#### Financial Assets Measured at Fair Value through Profit or loss

Financial assets are measured at fair value through Profit or loss unless it is measured at amortised cost or at fair value through OCI. Subsequent measurement is done at fair value and unrealised gains and losses are recognised in the statement of profit and loss.

### iii. Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

The impairment provisions for financials assets are mainly based on past history, assumptions about risk of defaults, expected loss rates and timing of cash flows. As a practical expedient, the company uses a standard provision matrix. The company applies standard ECL impairment allowance based on ageing of receivables to estimate the provision amount. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive after applying a standard provision matrix. ECL impairment loss allowance or reversal thereof is recognised in the Statement of Profit and Loss.

### iv. De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## b. Financial Liabilities-

### i. Initial Recognition

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs that are not recognised at fair value through profit and loss account.

### ii. Subsequent Measurement

For the purposes of subsequent measurement, financial liabilities are classified and measured as follows-

#### Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

### iii. **De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### 5.7. **Borrowing Costs-**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the asset. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they occur.

### 5.8. **Inventories-**

- a. Raw material, components, stores and spares are valued at lower of cost measured on weighted average cost basis or net realizable value. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost
- b. Work in Progress relating to manufacturing is valued at lower of cost of production or net realizable value.
- c. Finished Goods are valued at lower of cost or net realisable value. Cost includes related overheads.

### 5.9. **Foreign Currency Transactions-**

The functional currency and presentation currency of the company is Indian Rupee. Transactions in currencies other than the company's functional currency are recorded on initial recognition using the exchange rate prevailing on the date of transaction. The date of transaction for the purpose of determining the exchange rate to be used for initial recognition of the related asset, expense or income is when the advance consideration in foreign currency is received or paid. At each Balance Sheet date, foreign currency monetary items are restated using the closing rate. Non-monetary items are measured at historical cost and are not retranslated. Exchange differences that arise on settlement of monetary items or on restating of monetary items at each Balance Sheet date at the closing rate are recognised in the Statement of Profit and Loss in the period in which they arise.

### 5.10. **Provisions, Contingent Liabilities and Contingent Assets-**

#### a. Provisions are recognized only when-

- i. the Company has a present obligation as a result of past event (legal or constructive);
- ii. a probable outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. the amount of obligation can be reliably estimated.

Provision is measured using cash flows estimated to settle the present obligation. The carrying amount of provision is the present value of those cash flows.

#### b. Contingent liabilities are disclosed in case of:

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
  - ii. a present obligation arising from past events, when no reliable estimate is possible,
  - iii. a possible obligation arising from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- c. Possible obligations arising from past events where likelihood of actual outflow of resources is remote are not considered as contingent liabilities.
- d. Contingent assets are neither recognized, nor disclosed.
- e. Provisions and Contingent Liabilities are reviewed at each Balance Sheet date.

### 5.11. **Revenue Recognition-**

#### a. **Revenue from contracts with Customers:**

Revenue is recognised when or as the entity satisfies associated performance obligation by transferring promised goods or services or both to a customer. This takes place with transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from sale of goods

Revenue from sale of goods manufactured by the company is recognised at a point in time when those are delivered to the customer as per the terms of respective contracts.

Revenue from services

Revenue from erection and commissioning services is recognized on completion of contractual obligations.

**b. Other Revenue:**

Interest income is recognized on time proportion basis determined by the amount outstanding and the rate applicable using the effective interest rate method.

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

**5.12. Warranty expenses-**

The estimated liability for product warranties is recorded at the end of financial year. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically up to 2 to 3 years.

**5.13. 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 II of the Companies Act, 2013.

**5.14. Tax Expenses-**

- a. Provision for Current Tax is made on the basis of taxable income for the current accounting period computed in accordance with the provisions of Income Tax Act, 1961.

The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in OCI or in equity. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

- b. Provision for Deferred Tax is recognized for all taxable temporary differences between carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profits and is quantified using tax rates and laws enacted or substantially enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that it is probable that taxable profits will be available against with those deductible temporary differences can be utilized in the future.

**5.15. Lease Rent-**

The Company's leasing arrangements are in the nature of operating leases, the period of which generally up to 1 year. These arrangements can usually be terminated / renewed by mutual consent on agreed terms.

**5.16. Employee Benefits-****a. Short Term Employee Benefits**

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed 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 and the Company's Provident Fund administered by an independent Trust are the defined contribution plans. The liability on account of Company's contributions paid or payable under these schemes is recognized during the period in which the employee renders the related service and is charged to the Statement of Profit and Loss. The Company has no further obligation beyond these contributions towards employees.



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 using the Projected Unit Credit Method. Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur and not reclassified to Statement of Profit or Loss in subsequent periods.

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 Statement of Profit and Loss in the period in which they occur.

### 5.17. Earnings Per Share-

Basic EPS amount is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

## 6. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified new Ind AS-116 issued amendments to certain existing Ind ASs which the Company has not applied as they are effective from 01.04.2019. The details are given below:

### Ind AS 116 – Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The standard permits two methods of transition- (1) Full Retrospective and (2) modified retrospective. Certain practical expedients are available under both the methods. The Company is evaluating the impact of transition and new provisions on the Financial Statements.

### Ind AS 23 – Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact of the amendment on its financial statements.

### Other amendments:

- a. **Ind AS 12 -Income Taxes-**Amendments Relating to Income Tax Consequences of Dividend and Uncertainty Over Income Tax Treatments
- b. **Ind AS 109- Financial Instruments-** Amendments Relating to Prepayment Features with Negative Compensation
- c. **Ind AS 28 – Investments in Associates and Joint Ventures -**Amendments Relating to Long-term Interests in Associates and Joint Ventures
- d. **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements-** Amendments relating to re-measure previously held interests in that business when an entity obtains control of a business that is a joint operation.

The company does not expect any significant impact of the amendments on its financial statements.

Note 7: Property, Plant and Equipment and Intangible Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION & AMORTISATION			NET BLOCK				
	As at 01 April 2018	Additions	Transferred to Held For Sale	Deductions	As at 31 March 2019	As on 01 April 2018	For the Year	Transferred to Held For Sale	Impairment	As at 31 March 2019	As on 31 March 2018
<b>1. Property, Plant and Equipment</b>											
Leasehold Land	23,703,452	-	-	-	23,703,452	2,108,842	253,060	-	-	2,361,902	21,341,550
Factory Building	73,284,281	-	-	-	73,284,281	32,643,704	3,852,592	-	2,182,477	38,678,773	34,605,508
Non Factory Building	65,795,619	-	1,809,229	-	63,986,390	18,035,874	2,405,819	1,518,583	4,364,954	23,288,064	40,696,326
Plant & Machinery	37,374,718	-	-	-	37,374,718	23,531,168	2,573,130	-	4,364,954	30,469,252	6,905,466
Patterns, Jigs & Moulds	4,718,426	50,479	-	-	4,768,905	2,254,389	444,716	-	-	2,699,105	13,843,550
Computer Machinery	3,693,958	5,085	-	-	3,699,043	3,457,666	41,589	-	-	3,499,255	2,069,800
Vehicle	974,795	-	-	-	974,795	905,537	25,377	-	-	930,914	198,788
Furniture & Fixtures and Office Equipments	4,252,811	-	-	-	4,252,811	3,357,829	262,029	-	-	3,619,858	43,881
<b>Total (1)</b>	<b>213,798,060</b>	<b>55,564</b>	<b>1,809,229</b>	<b>-</b>	<b>212,044,395</b>	<b>86,295,009</b>	<b>9,858,312</b>	<b>1,518,583</b>	<b>10,912,385</b>	<b>105,547,123</b>	<b>106,497,272</b>
<b>Previous Year</b>	<b>225,248,310</b>	<b>108,762</b>	<b>11,559,012</b>	<b>-</b>	<b>213,798,060</b>	<b>86,452,720</b>	<b>11,282,031</b>	<b>11,439,741</b>	<b>-</b>	<b>86,295,009</b>	<b>127,503,051</b>
<b>2. Intangible Assets</b>											
Software	3,629,207	-	-	-	3,629,207	2,989,968	276,898	-	-	3,266,866	362,341
<b>Total (2)</b>	<b>3,629,207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,629,207</b>	<b>2,989,968</b>	<b>276,898</b>	<b>-</b>	<b>-</b>	<b>3,266,866</b>	<b>639,239</b>
<b>Previous Year</b>	<b>3,583,207</b>	<b>46,000</b>	<b>-</b>	<b>-</b>	<b>3,629,207</b>	<b>2,683,436</b>	<b>306,532</b>	<b>-</b>	<b>-</b>	<b>2,989,968</b>	<b>899,771</b>
<b>TOTAL</b>	<b>217,427,267</b>	<b>55,564</b>	<b>1,809,229</b>	<b>-</b>	<b>215,673,602</b>	<b>89,284,977</b>	<b>10,135,210</b>	<b>1,518,583</b>	<b>10,912,385</b>	<b>108,813,989</b>	<b>106,859,613</b>

(Amount in ?)

# G. G. DANDEKAR MACHINE WORKS LIMITED

(Amount in `)

PARTICULARS	As at 31 March 2019	As at 31 March 2018
<b>8 INVESTMENTS- NON CURRENT</b>		
<b>i INVESTMENT IN EQUITY INSTRUMENTS</b>		
(a) Trade, Unquoted and fully paid up (valued at Fair Value through Other Comprehensive Income)		
1,000 (Previous Year 1,000) Equity Shares of ` 10/- each in Saraswat Co-operative bank Limited.	10,000	10,000
1,000 (Previous year Nil) Equity Shares of ` 10/- each in S. L. Kirloskar CSR Foundation	10,000	10,000
(b) Non Trade, Quoted and fully paid up (valued at valued at Fair Value through Other Comprehensive Income)		
50,000 Equity Shares of ` 2/- each (Previous Year 10,000 Equity Shares of ` 10/- each) in Gujarat Gas Limited	7,412,500	8,301,999
291,375 (Previous Year 291,375) Equity Shares of ` 2/- each in Indraprastha Gas Limited	88,723,688	81,249,919
29,950 (Previous Year 29,950) Equity Shares of ` 1/- each in Marico Limited	10,340,238	9,766,695
5,450 (Previous Year 5,450) Equity Shares of ` 10/- each in Lakshmi Machine Works Limited	33,207,122	37,457,307
4,901 (Previous Year 4,901) Equity Shares of ` 10/- each in ICRA Limited	14,219,027	17,809,254
15,590 (Previous Year 15,590) Equity Shares of ` 1/- each in CRISIL Limited	22,761,399	29,291,271
2,21,078 (Previous Year 1,10,539) Equity Shares of ` 2/- each in Gruh Finance Limited	61,017,528	63,797,584
2,820 (Previous Year 2,820) Equity Shares of ` 10/- each in Bajaj Holdings & Investments limited	9,638,901	7,399,539
3,995 (Previous Year 3,995) Equity Shares of ` 10/- each in Bajaj Auto Limited	11,645,624	10,981,855
NIL (Previous Year 44,120) Equity Shares of ` 10/- each in Balmer Lawrie & Company Limited	-	9,582,865
<b>Total</b>	<b>258,986,027</b>	<b>275,658,288</b>
<b>8.1 Details of Quoted Investments</b>		
Aggregate amount of quoted investments and market value thereof		
Cost	28,890,063	31,980,018
Market Value	258,966,027	275,638,288
<b>9 LOANS- NON CURRENT</b>		
(Un-secured and considered good)		
i Security Deposits	599,300	512,300
<b>Total</b>	<b>599,300</b>	<b>512,300</b>

(Amount in `)

PARTICULARS		As at 31 March 2019	As at 31 March 2018
<b>10</b>	<b>INVENTORIES</b>		
	i Raw Materials	7,057,543	7,091,921
	ii Work-in-progress	1,590,376	2,275,077
	iii Finished Goods	3,529,117	2,155,709
	<b>Total</b>	<b>12,177,036</b>	<b>11,522,707</b>
<b>11</b>	<b>TRADE RECEIVABLES</b>		
	Unsecured		
	i Considered good	1,424,131	4,747,165
	ii Considered doubtful	349,142	2,440,851
	Less : Allowance for Expected Credit Loss	(349,142)	(2,440,851)
	<b>Total</b>	<b>1,424,131</b>	<b>4,747,165</b>
<b>12</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	i Cash on hand	6,326	33,476
	ii Balances with Banks		
	In Current Accounts	375,011	2,629,433
	In Deposit Accounts (Less than 3 months maturity)	-	15,000,000
	<b>Total</b>	<b>381,337</b>	<b>17,662,909</b>
<b>13</b>	<b>OTHER BANK BALANCES</b>		
	i In Unpaid Dividend Accounts	-	306,138
	<b>Total</b>	<b>-</b>	<b>306,138</b>
<b>14</b>	<b>OTHER CURRENT FINANCIAL ASSETS</b>		
	(Unsecured)		
	i Other Receivables (considered good)	423,480	510,480
	ii Balance with Statutory Authorities	18,037,413	12,976,057
	iii Receivable against Sale of Investments	8,137,283	-
	<b>Total</b>	<b>26,598,176</b>	<b>13,486,537</b>
<b>15</b>	<b>CURRENT TAX ASSETS (NET)</b>		
	Advance Income Tax (Including TDS)	12,291,663	10,851,162
	(Net of Provision for Tax)		
	<b>Total</b>	<b>12,291,663</b>	<b>10,851,162</b>
<b>16</b>	<b>OTHER CURRENT ASSETS</b>		
	i Advances to suppliers	1,542,682	532,706
	ii Prepaid Expenses	133,741	216,947
	iii Other Advances	81,785	69,087
	<b>Total</b>	<b>1,758,208</b>	<b>818,740</b>

## G. G. DANDEKAR MACHINE WORKS LIMITED

PARTICULARS	As at 31 March 2019		As at 31 March 2018	
	Number	`	Number	`
<b>17 EQUITY SHARE CAPITAL</b>				
i Authorised				
Equity Shares of ` 1/- each	20,000,000	20,000,000	20,000,000	20,000,000
<b>Total</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>20,000,000</b>
ii Issued, Subscribed and fully paid up				
Equity Shares of ? 1/- each	4,761,387	4,761,387	4,761,387	4,761,387
<b>Total</b>	<b>4,761,387</b>	<b>4,761,387</b>	<b>4,761,387</b>	<b>4,761,387</b>

PARTICULARS	As at 31 March 2019		As at 31 March 2018	
	Number	`	Number	`
<b>17.1 Reconciliation of Shares :</b>				
Equity Shares				
Outstanding at the beginning of the year	4,761,387	4,761,387	4,761,387	4,761,387
Issued/Bought back during the year	-	-	-	-
Outstanding at the end of the year	4,761,387	4,761,387	4,761,387	4,761,387

### 17.2 Rights, preferences and restrictions attached to equity shares :

The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013.

PARTICULARS	As at 31 March 2019		As at 31 March 2018	
	Number	%	Number	%
<b>17.3 Details of shares held by each shareholder holding more than 5% shares:</b>				
<b>NAME OF SHARE HOLDER</b>				
Jyotsna G. Kulkarni	954,280	20.04%	400,000	8.40%
Atul C. Kirloskar *	560,780	11.78%	560,780	11.78%
Rahul C. Kirloskar *	549,820	11.55%	549,820	11.55%
Arti A. Kirloskar	400,000	8.40%	400,000	8.40%
Alpana R. Kirloskar	400,000	8.40%	400,000	8.40%
K.V.Development & Investment Company Pvt. Ltd.	268,664	5.64%	268,664	5.64%
Gautam A. Kulkarni	-	0.00%	554,280	11.64%

\* In addition to above, Atul C. Kirloskar and Rahul C. Kirloskar are holding 360 shares each as Karta of Atul C. Kirloskar HUF and Rahul C. Kirloskar HUF respectively.

(Amount in `)

PARTICULARS	General Reserves	Retained Earnings	Other Comprehensive Income	Total
<b>18 OTHER EQUITY</b>				
<b>Balance as on 1 April, 2017</b>	97,760,971	38,148,292	240,156,601	376,065,863
Total Comprehensive Income for the year				
Profit/(Loss) for the year	-	(46,161,554)	-	(46,161,554)
Remeasurements gains/(loss) on defined benefit plans	-	-	311,671	311,671
Fair value changes in Equity instruments	-	64,639,858	3,391,956	68,031,814
<b>Balance as on 31 March, 2018</b>	97,760,971	56,626,596	243,860,228	398,247,794
<b>Total Comprehensive Income for the year</b>				
Profit/(Loss) for the year	-	(41,635,444)		(41,635,444)
Remeasurements gains/(loss) on defined benefit plans	-	-	555,024	555,024
Fair value changes in Equity instruments	-	-	(8,496,832)	(8,496,832)
Realised Gain on Sale of Investments		5,085,473	(5,085,473)	-
<b>Balance as at 31 March, 2019</b>	<b>97,760,971</b>	<b>20,076,625</b>	<b>230,832,947</b>	<b>348,670,542</b>

(Amount in `)

PARTICULARS	AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
<b>19 PROVISIONS- NON CURRENT</b>		
i Provision for Employee Benefits		
(a) Leave Encashment	205,623	289,776
<b>Total</b>	<b>205,623</b>	<b>289,776</b>
<b>20 DEFERRED TAX LIABILITIES (NET)</b>		
i Deferred Tax Liability		
On account of timing difference in Depreciation	9,447,159	9,472,796
<b>Total</b>	<b>9,447,159</b>	<b>9,472,796</b>
<b>21 OTHER NON-CURRENT LIABILITIES</b>		
i Trade & Security Deposits	106,000	106,000
<b>Total</b>	<b>106,000</b>	<b>106,000</b>

## G. G. DANDEKAR MACHINE WORKS LIMITED

(Amount in `)

PARTICULARS		AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
<b>22</b>	<b>TRADE PAYABLES</b>		
	i Micro, Small and Medium Enterprises	159,365	298,770
	ii Others for Goods and Services	24,281,590	18,458,533
	<b>Total</b>	<b>24,440,955</b>	<b>18,757,303</b>
<b>23</b>	<b>OTHER CURRENT FINANCIAL LIABILITIES</b>		
	i Expenses and Other Payables	15,958,224	15,345,651
	ii Other Liabilities	269,103	630,670
	iii Ex-gratia & Superannuation Payable	817,055	950,998
	<b>Total</b>	<b>17,044,382</b>	<b>16,927,319</b>
<b>24</b>	<b>OTHER CURRENT LIABILITIES</b>		
	i Advance from Customers	6,666,210	5,067,583
	<b>Total</b>	<b>6,666,210</b>	<b>5,067,583</b>
<b>25</b>	<b>PROVISIONS- CURRENT</b>		
	i Provision for Employee Benefits		
	(a) Gratuity	111,749	259,827
	(b) Leave Encashment	91,144	125,483
	ii Others		
	(a) Sales tax	9,100,000	9,100,000
	(b) Warranty	833,307	705,287
	<b>Total</b>	<b>10,136,200</b>	<b>10,190,597</b>

(Amount in `)

PARTICULARS		2018-19	2017-18
<b>26</b>	<b>REVENUE FROM OPERATIONS</b>		
	i Sale of Products	47,334,147	8,74,95,712 *
	ii Other Operating Revenue	350,284	511,504
	<b>Total</b>	<b>47,684,431</b>	<b>88,007,216</b>
	*Company's products are exempt from Excise Duty		
<b>27</b>	<b>OTHER INCOME</b>		
	i Interest from Banks	96,504	147,001
	ii Dividend	2,740,632	2,417,715
	iii Gain on foreign currency transactions and translations	-	6,945
	iv Miscellaneous Income	-	14,023
	v Sundry balances written back	641,600	684,154
	vi Sundry provisions written back	2,091,709	7,687,254
	<b>Total</b>	<b>5,570,445</b>	<b>10,957,092</b>

(Amount in `)

PARTICULARS		2018-19	2017-18
<b>28</b>	<b>COST OF MATERIALS CONSUMED</b>		
i	Raw Materials		
	Opening Stock	7,091,921	9,262,715
	Add : Purchases	28,298,943	44,161,859
		<u>35,390,864</u>	<u>53,424,574</u>
	Less : Closing Stock	<u>7,057,543</u>	<u>7,091,921</u>
		28,333,321	46,332,653
	<b>Total</b>	<u><b>28,333,321</b></u>	<u><b>46,332,653</b></u>
<b>29</b>	<b>CHANGES IN INVENTORIES OF WORK IN PROGRESS &amp; FINISHED GOODS</b>		
	Opening Stock		
	Work-in-Progress	2,275,077	2,713,598
	Finished Goods	2,155,709	9,290,290
		<u>4,430,786</u>	<u>12,003,888</u>
	Less:		
	Closing Stock		
	Work-in-Progress	1,590,376	2,275,077
	Finished Goods	3,529,117	2,155,709
		<u>5,119,493</u>	<u>4,430,786</u>
	<b>(INCREASE) / DECREASE</b>	<u><b>(688,707)</b></u>	<u><b>7,573,102</b></u>
<b>30</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
i	Salaries, Wages, Bonus & Other Allowances	21,240,302	25,372,818
ii	Gratuity	405,461	473,050
iii	Contribution to PF/ESI & Other Funds	532,229	745,534
iv	Staff/Labour Welfare Expenses	1,522,007	1,636,346
	<b>Total</b>	<u><b>23,699,999</b></u>	<u><b>28,227,748</b></u>



# G. G. DANDEKAR MACHINE WORKS LIMITED

(Amount in `)

PARTICULARS		2018-19	2017-18
<b>31</b>	<b>FINANCE COSTS</b>		
i	Interest Cost:		
	Interest to Banks & Finance Companies	-	2,245,862
	<b>Total</b>	<b>-</b>	<b>2,245,862</b>
<b>32</b>	<b>OTHER EXPENSES</b>		
i	Rent	341,051	342,679
ii	Rates & Taxes	1,025,909	3,752,070
iii	Insurance charges	273,078	407,278
iv	After Sales Service Charges	205,004	851,163
v	Power & Fuel	1,794,462	1,206,314
vi	Repairs & Maintenance		
	a) Building	10,642	17,850
	b) Plant & Machinery	32,328	29,080
	c) Other Assets	525,992	2,080,860
		568,962	2,127,790
vii	Payment to Auditors		
	a) Statutory Audit fees	325,000	325,000
	b) Tax Audit Fees	75,000	75,000
	c) Out of Pocket Expenses	105,476	43,387
		505,476	443,387
viii	Selling & Distribution Expenses		
	a) Commission on sales	922,517	2,076,398
	b) Sales Promotion	14,628	217,175
	c) Warranty	212,675	396,228
	d) Carriage Outward	374,596	1,313,081
		1,524,416	4,002,882
ix	Travelling & Conveyance	2,758,867	3,665,393
x	Communication Expenses	341,098	627,719
xi	Legal & Professional Fees	4,760,948	3,972,873
xii	Directors Sitting Fees	315,000	235,000
xiii	Security Expenses	1,652,400	1,715,748
xiv	Office & Miscellaneous Expenses	1,318,370	1,726,458
xv	Bad Debts written off	2,181,709	15,981,653
xvi	Fixed Assets written off	-	119,270
xvii	Labour Compensation	2,957,000	-
	<b>Total</b>	<b>22,523,750</b>	<b>41,177,676</b>

**Note C: NOTES FORMING PART OF ACCOUNTS- Other Notes****33. Contingent Liabilities not provided for in respect of:**

(Amount in `)

Sr. No.	PARTICULARS	AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
A.	Disputed Liabilities in respect of Income Tax	72,149,992	49,304,283
B.	Disputed Liabilities in respect of Sales Tax	58,556,503	40,632,855
C.	Disputed Liabilities in respect of Wealth Tax	2,263,846	2,263,846
D.	Certain parties have either filed cases against the company or the Company has been made a party in respect of certain transactions relating to sale of land. The Company has been legally advised that it is in a position to defend its stand and as such does not expect any material financial liability.		

**34. Disclosure pursuant to Ind AS 12 'Income Taxes':**

(a) The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

(Amount in `)

PARTICULARS	2018-19	2017-18
<b>a) Major Components of Tax Expense / (Income):</b>		
<b>Current income tax charge</b>		
<b>Current income tax</b>	-	4,153,000
Adjustments in respect of current income tax of previous year	-	1,364,925
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	<b>(25,638)</b>	2,462,332
<b>Net Tax expense</b>	<b>(25,638)</b>	7,980,257

(b) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:

(Amount in `)

PARTICULARS	2018-19	2017-18
Accounting profit /(loss) before tax	<b>(30,748,697)</b>	(38,181,297)
Add: Realised profit from sale of investments in shares	-	64,228,724
Accounting profit /(loss) before tax after considering realised profit from sale of investments	-	26,047,427
Statutory income tax rate (MAT rate)	<b>19.24</b>	20.39
Tax at statutory income tax rate on profit as per books	-	5,310,771
Tax impact of difference in depreciation as per books and income tax act	-	-
Tax impact of expenses not deductible	-	2,073,546
Tax impact on expenses allowable under MAT	-	(3,257,096)
Tax impact on reversal of disallowances of earlier year	-	-
Others	-	25,779
Tax relating to earlier period	-	1,364,925
<b>Income Tax expense reported in the statement of profit &amp; loss</b>	-	5,517,925

## G. G. DANDEKAR MACHINE WORKS LIMITED

(C) The details of tax assets & liabilities as at 31st March-19 & March-18 are as follows:

(Amount in `)

PARTICULARS	2018-19	2017-18
Income Tax Assets	39,466,465	38,025,964
Income Tax Liabilities	27,174,802	27,174,802
<b>Net Current Income tax assets at the end</b>	<b>12,291,663</b>	10,851,162

(d) The gross movement in the current income tax asset/ (liability) for the years ended March 31, 2019 and March 31, 2018:

(Amount in `)

PARTICULARS	2018-19	2017-18
Net Income Tax Asset as at the beginning	10,851,162	13,388,722
Income Tax paid / TDS	1,440,501	3,806,655
Current income tax expenses	-	(4,153,000)
Net refund received for earlier years	-	(826,290)
Income Tax for earlier years	-	(1,364,925)
<b>Net income tax Asset as at the end</b>	<b>12,291,663</b>	10,851,162

(e) Reconciliation of Deferred tax assets/liabilities:

(Amount in `)

PARTICULARS	2018-19	2017-18
<b>Deferred Tax Liabilities (Net) as at the beginning</b>	<b>(9,472,796)</b>	(7,010,464)
<b>Deferred Tax Income/ Expense recognized in Statement of Profit &amp; Loss:</b>		
Difference between WDV of PPE as per books & Income Tax	25,638	(2,462,331)
On Fair Value gains/(Loss) through Profit & Loss	-	
<b>Deferred Tax Income/ Expense recognized in OCI:</b>		
Re-measurement gain/(loss) on defined benefit plans	-	-
<b>Deferred Tax Liabilities (Net) as at the end</b>	<b>(9,447,159)</b>	(9,472,796)

### 35. Disclosure pursuant to Ind AS 19 on 'Employee Benefits'

#### a. Defined benefit plans: Gratuity Plan

##### i. General descriptions of defined benefit plans: **Gratuity Plan**

The Company has established a gratuity plan wherein every employee is entitled to the benefit equivalent to thirty days' salary for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The funds are managed by LIC who have made investments as per their policy; and a detailed break-up of composition of investments made by LIC in various securities is not, at present, available.

##### ii. The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(Amount in `)

Sr. No.	PARTICULARS	AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
1	Present Value of Obligation at the end of period	3,557,167	3,740,961
	Fair value of Plan Assets at the end of period	3,445,418	3,481,134
	Current Liability / (asset)	111,749	259,827
2	Amounts reflected in the balance sheet		
	Liabilities		
	a) Current Liability	111,749	259,827
	b) Non-Current Liability	3,445,418	3,481,134

iii. Movement in the present value of defined obligation during the year representing reconciliation of opening and closing balances thereof are as follows:

(Amount in `)

Sr. No.	PARTICULARS	2018-19	2017-18
1	Present value of benefit obligation at the beginning of the year	37,40,961	2,333,740
2	Transfer In/(Out)	-	1,587,840
3	Current service cost	385,974	441,803
4	Amount paid on settlement	-	-
5	Interest cost	267,280	152,235
6	Re-measurements on obligation [Actuarial (Gain) / Loss]:	(482,586)	(320,042)
7	Actuarial (Gains) / Losses arising from changes in demographic assumption	-	-
8	Financial assumption	-	-
9	Actuarial (Gains) / Losses arising from changes in experience adjustment	-	-
10	Benefits paid	(354,462)	(454,615)
11	Past Service Cost		
12	Present value of Defined Benefit Obligation as at end of the year	3,557,167	3,740,961

iv. Changes in the fair value of plan assets during the year representing reconciliation of opening and closing balances thereof are as follows:

(Amount in `)

Sr. No.	PARTICULARS	AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
1	Fair value of Plan Assets at the beginning of the year	3,481,134	1,479,551
2	Transfer In/(Out)	-	1,587,840
3	Interest income	247,793	120,988
4	Actuarial gains / (losses)		
5	Contributions from the employer	-	789,343
6	Re-measurement Gain (Loss): Return on plan assets, excluding amount recognized in Interest Income – Gain/ (Loss)	72,438	(8,371)
7	Mortality Charges & Taxes	(1,485)	(33,602)
8	Benefits paid	(354,462)	(454,615)
9	Amount paid on settlement	-	-
10	Fair value of Plan Assets as on the end of the year	3,445,418	3,481,134
11.	Actual Returns on Plan Assets	320,231	112,617

## G. G. DANDEKAR MACHINE WORKS LIMITED

v. Expenses recognized in the statement of Profit and Loss.

(Amount in `)

Sr. No.	PARTICULARS	AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
1	Current Service Cost	385,974	441,803
2	Net Interest Expenses	19,487	31,247
3	Settlement (Gain) / Loss	-	-
4	Past Service Cost	-	-
5	Net periodic benefit cost recognized in the statement of profit & loss at the end of period	405,461	473,050

vi. Amount recognized in statement of other Comprehensive Income.

(Amount in `)

Sr. No.	PARTICULARS	AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
1	Opening amount recognized in OCI outside profit & loss account	(201,959)	109,712
2	Re-measurement for the year- obligation (Gain) /Loss	(482,586)	(320,042)
3	Re-measurement for the year- plan asset (Gain) /Loss	(72,438)	8,371
4	Total Re-measurement cost/(credit) for the year recognized in OCI	(555,024)	(311,671)
5.	Closing amount recognized in OCI outside profit & loss account	(756,983)	(201,959)

vii. Actual contribution and benefit payments for the year.

(Amount in `)

Sr. No.	PARTICULARS	AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
1	Actual benefit paid directly by the company	(354,462)	454,615
2	Actual contributions	-	789,343

viii. Assumptions:

(Amount in `)

Sr. No.	PARTICULARS	AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
1	Discount Rate	7.00%	7.50%
2	Rate of increase in compensation levels	5.00%	5.00%
3	Expected Rate of return on plan assets	7.50%	6.80%
4	Expected average remaining working lives of employees (years)*	4.62*	4.73*

\*It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

ix. Sensitivity analysis: A quantitative sensitivity analysis for significant assumption is as shown below:

Effect of Defined Benefits Obligation (DBO) on account of 1% change in the assumed rates:

(Amount in `)

DBO Rates Types	Discount Rate		Salary Escalation Rate		Withdrawal Rate	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Year						
31.03.2019	3,488,968	3,629,841	3,611,280	3,505,323	3,558,096	3,556,018
31.03.2018	3,660,635	3,826,988	3,807,113	3,677,932	3,742,063	3,739,480

**b. Leave Encashment:**

Net (asset) / liability recognized in the Balance Sheet:

(Amount in `)

Sr. No.	PARTICULARS	AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
1	Present Value of Obligation	296,767	415,259
2	Funded Status		
3	Net liability/(asset) recognized in Balance Sheet	(296,767)	(415,259)
	a) Current Liability	91144	125,483
	b) Non-Current Liability	205,623	289,776

**36. Disclosure pursuant to Ind AS-24 'Related Party Disclosures'**

Name of the related party and their relatives and nature of relationship

## a) Key Management Personnel:

i. Mangesh S. Joshi - Executive Director

Relatives of Key Management Personnel:

Wife: Ruchira M. Joshi

Son: Mayank M. Joshi

Daughter: Mihika M. Joshi

ii. Sanket S. Gunjekar – Chief Financial Officer (up to 03-12-2018)

Relatives of Key Management Personnel:

Wife: Pooja S. Gunjekar

Son: Aaditya S. Gunjekar

iii. Aneesh N. Parwani- (up to 16-11-2018)

iv. Mahavir Barlota - Chief Financial Officer (from 14-02-2019)

v. Ajay Shrivastava – Company Secretary (from 14-0-2019)

Enterprise in which Directors are interested:

I. Kloudq Technologies Ltd.

(Amount in `)

Sr. No.	PARTICULARS	Key Management Personnel	Enterprise in which Directors are interested
1.	Remuneration to Executive Director & Key Managerial Personnel:		
	Mangesh S. Joshi	43,82,667 (43,04,022)	-
	Sanket S. Gunjekar (upto 03-12-18)	583,905 (8,15,504)	-
	Aneesh Parwani (from 01-06-18 upto 16-11-18)	231,515 (Nil)	-
	Mahavir Barlota (from 14-02-19)	149,710 (Nil)	-
	Ajay Shrivastava (from 14-02-19)	112,774 (Nil)	-
	*Remuneration excludes statutory contributions made by Company such as Gratuity, PF, etc.		
2.	Transactions with Enterprise in which Directors are interested		
	Software Subscription charges	-	1,51,040 (3,25,540)

Figures in bracket relate to Previous Year)

## G. G. DANDEKAR MACHINE WORKS LIMITED

### 37. Disclosure pursuant to Ind AS - 33 'Earnings Per Share':

(Amount in `)

Sr. No.	PARTICULARS	2018-19	2017-18
1	Profit/ (Loss) after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Amount in Rs.)	(4,16,35,443)	(46,161,554)
2	Weighted Average number of equity shares used as denominator for calculating EPS	4,761,387	4,761,387
3	Basic and Diluted Earnings Per Share ( ` )	(8.74)	(9.69)
4	Face Value per equity share ( ` )	1.00	1.00

### 38. Disclosure pursuant to Ind AS - 37 'Provisions, Contingent Liabilities and Contingent Assets'

Details of Warranty provision and its movement during the year

(Amount in `)

PROVISION FOR WARRANTY	FY 2018-19	FY 2017-18
Carrying amount at the beginning of the year	705,287	538,563
Additional provision made during the year	212,675	396,228
Amount used during the year	84,655	229,504
Unused amounts reversed during the year	-	-
Carrying amount at the end of the year	833,307	705,287

(Amount in `)

PROVISION FOR WARRANTY	FY 2018-19	FY 2017-18
Carrying amount at the beginning of the year	9,100,000	7,619,024
Additional provision made during the year	-	1,480,976
Amount used during the year	-	-
Unused amounts reversed during the year	-	-
Carrying amount at the end of the year	9,100,000	9,100,000

### 39. Disclosure pursuant to Ind AS 107 -Financial risk management

The activities of the Company expose it to a variety of financial risks. The Company's risk management policies are focused to identify the unpredictability of financial markets, put required controls, monitor and minimize potential adverse effects on its financial performance. The risk management policies and systems are reviewed periodically to reflect changes in market conditions and company's activities. Board of Directors has overall responsibility for the setup and oversight of company's risk management framework.

The company has exposure to the following risks arising from financial instruments:

(A) Credit risk; (B) Liquidity risk and (C) Market risk.

#### (A) Credit risk:

Credit risk refers to the risk of default on its obligation by the customer or counterparty in meeting its contractual obligations, resulting into a financial loss to the company. The maximum exposure to the credit risk is primarily from company's trade and other receivables amounting to Rs. 2,446,911/-. Details of receivables and other current assets are as per the table below:

(Amount in `)

PARTICULARS	AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
Investments	20,000	20,000
Loans	599,300	512,300
Trade Receivable	1,424,131	4,747,165
Cash & Cash Equivalents (Excluding Cash on Hand)	381,437	17,629,433
Bank Balances (Other Than Cash & Cash Equivalents)	-	306,138
Other Financial Assets	26,598,176	13,486,537
<b>Total financial Assets Carried at Amortised Cost</b>	<b>29,023,044</b>	<b>36,701,573</b>
Investments	258,966,028	275,638,288
<b>Total Financial Assets Carried at Fair Value</b>	<b>258,986,028</b>	<b>275,638,288</b>

Receivables are reviewed, managed and controlled for each customer separately. Credit risk is managed through credit approvals process by establishing credit limits and continuously monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis for major customers. Company has a practice to provide for doubtful debts on a case to case basis after considering inter-alia customer's credibility etc.

The allowance for Expected Credit Loss on customer balances for the year ended March 31, 2019 and March 31, 2018 was Rs. 349,142/- and Rs. 2,440,851/- respectively.

There is no significant credit risk on cash and cash equivalents as the Company generally invest in deposits with banks.

There is no significant credit risk on other receivables, which mainly comprise of security deposits and amounts with statutory authorities.

#### **(B) Liquidity risk**

Liquidity risk refers to the risk that the Company may encounter in meeting its obligations associated with its financial liabilities on time or at a reasonable price. The Company's Accounts and Finance department is responsible for liquidity and fund flow management. In addition to that, processes and policies related to such risks are overseen by the Senior Management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. ?

The Company has no outstanding term borrowings as on 31 March 2019.

#### **(C) Market risk:**

Market risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. It comprises of below mentioned three types of risks:

- i) Currency risk
- ii) Interest rate risk
- iii) Other price risk such as equity/debt securities price risk
  - i) Currency risk

Currency risk refers to the risk that arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company mainly operates in Indian domestic market. The maximum exposure to the currency risk is primarily from trade payables on account of goods imported into the country. The Company does not have any foreign currency payables as at the year-end hence, the Company does not have any currency risk at present.



## G. G. DANDEKAR MACHINE WORKS LIMITED

ii) Interest rate risk

Interest rate risk refers to the risk that fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. The Company does not have any long term or short-term borrowings as on year end date hence, the Company does not have any interest risk at present.

iii) Equity Price risk

Price risk refers to the risk of fluctuations in the value of assets and liabilities as a result of change in market prices of Investments.

The fair value of Company's investments measured at fair value through other comprehensive income exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in quoted equity securities as at March 31, 2019 and March 31, 2017 and was Rs. 258,966,028/- and Rs. 275,638,288/- respectively.

**40. Disclosure pursuant to Ind AS- 108 'Operating Segments'**

The Company operates in one segment namely "Food Processing Machinery".

**41. Disclosure pursuant to Ind AS 115 - "Revenue from Contracts with Customers":**

a. Effective April 1, 2018, the Company has applied Ind AS 115 for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 11 and Ind AS 18. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application. The impact of the adoption of the standard on the financial statements of the Company is not material / insignificant.

b. Reconciliation of Revenue from Operations with revenue from contracts with Customers

Amount (in Rs.)

Sr. No.	PARTICULARS	For the year 2018-19
1	Revenue recognised over a period of time	-
2	Revenue recognised over a period of time Manufacturing Activity	47,684,431
3	Total Revenue from Contract with Customer (1 to 2)	47,684,431
4	Total Revenue from Operations as per Note No. 26	47,684,431

c. Particulars of Performance obligations relating to Revenue from Contract with Customers

i. Manufacturing Activities

The Company is manufacturer of Machinery for Rice Milling. The performance obligations of the company for these activities are generally satisfied as and when goods are delivered and/or erected as the case may be depending upon terms of respective contracts. Payments are received in advance and/or as per pre-decided mile stones depending on the terms of the respective contracts.

b. As the entire revenue is recognised 'at point in time' there are no contract assets and contract liabilities for the Company.

c. The Company has opted for practical expedient as all the performance obligations have an original expected duration of one year or less. Hence, disclosure regarding 'transaction price allocated to the remaining performance obligations' is not required.

**42.** During the year, provision of Rs. 29,57,000/- has been made for settlement of labour dues of earlier years.

**43.** During the year ended 31st March 2019, the Company sold certain investments being equity shares of listed companies, for Rs. 81,75,428/-. The sale resulted in a Profit of Rs. 50,85,473/- which has been transferred to Retained earnings with corresponding adjustment in the 'Other Comprehensive Income' under Other Equity.

**44. Impairment of Assets:**

The Company reviews the carrying values of its assets for ascertaining indication of impairment, if any, at each Balance Sheet date. As there has been a considerable reduction in, the value in use, of the Plant & machinery, Factory and Office Building as compared to carrying values as a result of overall slowdown in production as well as turnover and

liquidity crisis over last few years. Based on the calculations done by the management of the Company, the fair market value of the enterprise/business of the Company, based on the present value of future cash flows discounted at the appropriate rate is calculated. Considering the said valuation, the Company has recognized the impairment loss of Rs.10,912,385/- in the statement of Profit & Loss, by allocating it to the carrying values of the Plant & machinery, Factory and Office Building owned by the Company, as carrying values of all the other corporate assets of the Company are broadly representing its fair value as on the date of review.

45. 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.
46. The Company owes amounts to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. The disclosure pursuant to the said Act are as under:

(Amount in `)

PARTICULARS	AS AT 31 <sup>st</sup> March 2019	AS AT 31 <sup>st</sup> March 2018
Principal Amount due to supplier under MSMED	563,834	1,009,261
Interest accrued, due to supplier under MSMED Act on the above & unpaid	31,238	37,662
Payment made to suppliers (other than interest) beyond appointed day during the year	418,623	3,171,627
Interest paid to suppliers under MSMED Act (other than Sec 16)	-	-
Interest paid to suppliers under MSMED Act (under Sec 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payment already made	174,983	143,745
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	174,983	143,745

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

As per our report of even date attached

For and on behalf of the Board of Directors

For Joshi & Kulkarni  
Chartered Accountants  
[F.R. No. 115751-W]

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133  
Place : Pune  
Date : 16.05.2019

Sd/-  
**Ajay Shrivastava**  
Company Secretary

Sd/-  
**Mahavir Barlota**  
Chief Financial Officer

Sd/-  
**Mangesh Joshi**  
Executive Director  
DIN 07244555

Sd/-  
**Nihal Kulkarni**  
Chairman  
DIN 01139147

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

Registered Office: 211/A, MIDC, Butibori Industrial Area, Village Kinhi, Tal. Hingana Dist. Nagpur-441122.

(CIN: L99999MH1938PLC002869)

Email: cs@ggdandekar.com Website: www.ggdandekar.com Phone: 07104-667300 Fax: 07104-667302

**80<sup>th</sup> ANNUAL GENERAL MEETING ON FRIDAY 27<sup>th</sup> SEPTEMBER, 2019 AT 11.30 A.M.  
PROXY FORM**

Name of the Member (s).....

Registered Address .....

E-mail Id.....

Folio/DP ID/Client ID.....

I/We being member(s) of \_\_\_\_\_ shares of the above named company hereby appoint:

1. Name \_\_\_\_\_ Address \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
2. Name \_\_\_\_\_ Address \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
3. Name \_\_\_\_\_ Address \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

as my/our proxy to attend and vote (on a poll) for me /us on my /our behalf at 80<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 27<sup>th</sup> September, 2019 at 11.30 a.m. and at any adjournment thereof in respect of following resolutions:

Resolution No.	Resolution	Equity Shares	No. of Optional	
			For	Against
<b>ORDINARY BUSINESS</b>				
1.	Adoption of Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 and Report of Board of Directors and Auditors thereon			
2.	Re-appointment of Mr. Madhav R. Chandrachud (DIN: 06419028), who retires by rotation			
3.	Appointment of M/s Kulkarni Soman & Associates, Chartered Accountants as Statutory Auditors of the Company			
4.	Ratification of appointment of Mr. Pawan J. Rathi (DIN: 06669485) as Non-Executive Independent Director for a period of 5 years			
5.	Re-appointment of Mr. Saurabh B. Patwardhan (DIN: 03056479) as Non-Executive Independent Director for a second term of 5 years			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder \_\_\_\_\_

Affix Revenue Stamp 1
--------------------------------

**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.
- For the Resolution, Explanatory Statements and Notes, Please refer to the Notice of Annual General Meeting.
- It is optional to put '✓' in the appropriate column against the Resolution indicated in box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Please complete all the details including details of member(s) in above box before submission

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

(CIN: L99999MH1938PLC002869)

Registered Office: 211/A, MIDC, Butibori Industrial Area, Village Kinhi, Tal. Hingana Dist. Nagpur-441122.  
Email: cs@ggdandekar.com Website: www.ggdandekar.com Phone: 07104-667300 Fax: 07104-667302**80<sup>th</sup> ANNUAL GENERAL MEETING ON FRIDAY 27<sup>th</sup> SEPTEMBER, 2019 AT 11.30 A.M.****ATTENDANCE SLIP**

<b>Registered Folio/ DP ID &amp; Client ID</b>	
<b>Name and address of the shareholder(s)</b>	
<b>Joint Holder 1</b>	
<b>Joint Holder 2</b>	
<b>No. of Shares</b>	

I/We hereby record my/our presence at the 80<sup>th</sup> Annual General Meeting of the Company at 211/A, MIDC, Butibori Industrial Area, Village Kinhi, Tal. Hingana Dist. Nagpur-441122 on Friday, 27<sup>th</sup> September, 2019 at 11.30 a.m.

\_\_\_\_\_  
Member's Folio/DP ID/ Client ID No.

\_\_\_\_\_  
Member's/Proxy's name in block letters

\_\_\_\_\_  
Member's/Proxy's Signature

(Please complete this attendance slip and hand over at the entrance of the meeting venue)

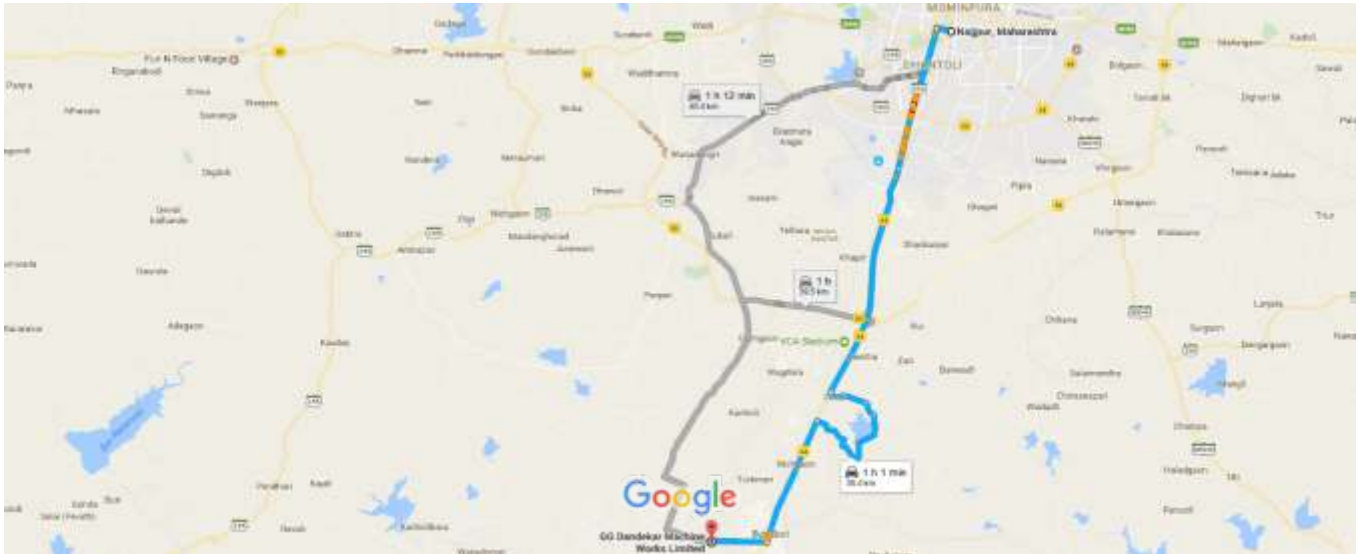
**ELECTRONIC VOTING PARTICULARS**

<b>EVEN (Electronic Voting Event Number)</b>	<b>User ID</b>	<b>Password</b>

**Notes:**

- Please read the instructions for electronic voting printed along with the notice of the annual general meeting to be held on Friday, 27 September 2019 at 11.30 a.m.
- The remote e-Voting period starts from 24 September, 2019, (9.00 a.m.) to 26 September, 2019 (till 5.00 p.m.) The voting module shall be disabled by National Securities Depository Limited (NSDL) for voting thereafter.

## Location Map for G. G. Dandekar Machine Works Limited



2 km



**via Aurangabad - Nagpur Rd/Chandrapur - Nagpur Rd/Mancherial - Chandrapur - Nagpur Rd**

**36.4 km**



**via Aurangabad - Nagpur Rd/Chandrapur - Nagpur Rd/Mancherial - Chandrapur - Nagpur Rd and NH53**

**39.5 km**



**via Hingna Rd**

**40.4 km**







Cover Back

BOOK POST

To,

*In case undelivered, please return to:*

**G. G. Dandekar Machine Works Ltd.**

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