

Board of Directors :

Mr. Atul C. Kirloskar	Chairman
Mr. Nihal G. Kulkarni	Vice Chairman
Mr. Dattatraya R. Swar	
Ms. Aditi V. Chirmule	
Mr. Vinod R. Sethi	
Mr. Jeetendra M. Shende	Executive Director

Head Finance :

Mr. Pranav V. Deshpande

Company Secretary :

Mrs. Prajakta V. Gokhale

Audit Committee :

Mr. Dattatraya R. Swar	Chairman of the Committee
Mr. Nihal G. Kulkarni	
Ms. Aditi V. Chirmule	
Mr. Vinod R. Sethi	

Share Transfer cum Shareholders' Grievance Committee :

Mr. Nihal G. Kulkarni
Ms. Aditi V. Chirmule
Mr. Jeetendra M. Shende

Investment Sub-Committee :

Mr. Nihal G. Kulkarni
Ms. Aditi V. Chirmule
Mr. Vinod R. Sethi

Auditors :

Joshi & Kulkarni,
Chartered Accountants, C.T.S. No. 108/10,
"UTKARSH", Bharati Niwas Society,
Off Prabhat Road Lane No. 14, Erandawane,
PUNE – 411 004.
Firm Regn. No. 115751W

Bankers :

- 1) Punjab National Bank
- 2) HDFC Bank Limited
- 3) State Bank of India
- 4) Bank of Maharashtra
- 5) Abhyudaya Co-op Bank Limited

Registrar & Transfer Agents :

Link Intime India Private Limited
(Formerly known as Intime Spectrum Registry Limited),
Block No. 202, Akshay Complex, Off Dhole Patil Road,
Near Ganesh Temple, Pune 411 001

Registered Office :

Dandekarwadi, Bhiwandi 421 302
Dist. Thane, Maharashtra
Tel : (02522) 229870 / 229871 / 229872
Fax : (02522) 229873
Website : www.ggdandekar.com

Regional Office:

Akarshan Busiplex, 5th Floor,
Central Bazaar Road,
Ramdaspath, Nagpur-440 010
Phone No:0712-2440519

Information for Shareholders:

Annual General Meeting :
Date: 12 August 2010
Time: 2.30 pm
Venue: Dandekarwadi, Bhiwandi, 421 302, Dist. Thane
Proposed Dividend: 300%
(Rs. 3/- per share of Re. 1/- each)
Dates of Book Closure: 1 August 2010 to 12 August 2010
(both days inclusive)

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NOTICE

Notice is hereby given that the 71st Annual General Meeting of G. G. Dandekar Machine Works Limited, will be held on Thursday, the 12th day of August 2010 at 2.30 PM at the registered office of the Company at Dandekarwadi, Bhiwandi 421 302, Dist. Thane to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 1:

To receive, consider and adopt the Audited Profit and Loss Account for the Financial Year ended 31 March 2010, the Balance Sheet as at that date and the Report of the Board of Directors and Auditors thereon.

ITEM NO. 2:

To declare final dividend on equity shares for the financial year ended on 31 March 2010.

ITEM NO. 3:

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

ITEM NO. 4:

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

ITEM NO. 5:

To appoint Auditors of the Company, for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and to fix their remuneration.

SPECIAL BUSINESS:

ITEM NO. 6:

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

RESOLVED THAT, in super-session to the earlier resolution, passed by the Members of the Company, at their meeting held on 30 July 2009 and pursuant to the provisions of section 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956, the Members of the Company do and hereby approve, with effect from April 1, 2009 till the balance tenure, following remuneration for Mr. Jeetendra M. Shende, who was appointed as an Executive Director of the Company for a period of 5 years with effect from 21 January 2009 (vide resolution passed by the Board of Directors in their meeting dated 21 January 2009 "the resolution"), PROVIDED HOWEVER that the proposed increase or any further increase during the tenure, shall at all times, remain within the limits prescribed under Part II of the Schedule XIII of the Companies Act, 1956.

SALARY :

Rs. 38,500/- (Rupees Thirty Eight Thousand Five Hundred only) per month.

ALLOWANCES:

1. House Rent Allowance: Rs. 18,000/- (Rupees Eighteen Thousand only) per month
2. Conveyance Allowance: Rs. 10,000/- (Rupees Ten Thousand only) per month
3. Medical Allowance: Rs. 10,000/- (Rupees Ten Thousand only) per month
4. Education Allowance: Rs. 14,400 (Rupees Fourteen Thousand and Four Hundred only) per month

PERQUISITES :

In addition to the aforesaid salary, Mr. Jeetendra M. Shende as an Executive Director shall be entitled to the following perquisites:

1. Hospitalisation expenses incurred for self and family, payable on actual basis.
2. Leave travel assistance for self and family Rs. 10,000/- per month.
3. Personal accident insurance, premium whereof does not exceed Rs. 6,000/- per annum.

4. 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.
5. Gratuity at the rate of 15 days' salary for each completed year of service, and
6. Leave at the rate of one month for every eleven months of service. Leave not availed of, may be encashed at the end of the tenure.

"Family" for the above purpose means wife, dependent children and dependent parents of the Executive Director.

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

COMMISSION :

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

MINIMUM REMUNERATION :

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


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

1. Contribution to provident fund, superannuation fund or annuity fund to the extent of these either singly or put together, are not taxable under the Income Tax Act, 1961.
2. Gratuity at a rate of 15 days' salary for each completed year of service, and
3. Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT where in any financial year, during the tenure of Mr. Jeetendra M. Shende, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Jeetendra M. Shende, the above remuneration by way of salary, performance bonus and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT for the purposes of giving effect to restructuring of remuneration resolved hereinbefore, the Board and other designated officers of the Company be and are hereby authorized to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose.

By Order of the Board of Directors



Prajakta V Gokhale
Company Secretary

Place: Pune
Date: 28.05.2010

G. G. DANDEKAR MACHINE WORKS LIMITED

NOTES :

- I. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- ii. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours before the time fixed for holding the meeting. Proxies shall not have any right to speak at the meeting.
- iii. The Register of Members and share transfer books of the Company will remain closed from 1 August 2010 to 12 August 2010 both days inclusive.
- iv. Dividend on shares as recommended by the Directors, if declared, at this Annual General Meeting, will be paid to those members whose names will appear on the Register of Members as on 12 August 2010. In respect of the shares in the electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
- v. Pursuant to Section 205A of the Companies Act, 1956, the amount of unclaimed dividend for the year ended 31 March 2002 has already been transferred to the Investor Education and Protection Fund on 26 November 2009.
- vi. Pursuant to Section 205A and 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer is now required to be transferred to the Investor Education and Protection Fund set up by the Central Government. Accordingly, the unpaid/unclaimed dividend for the years 2002-03 onwards will become transferable at the end of respective seven years to the said Fund. Once the amount is so transferred, no claim shall lie against the Fund or the Company in respect of dividend amount thereafter. Shareholders are requested to send their claims, if any, for the financial year 2002-03 onwards before the amount becomes due for transfer to the above Fund. Shareholders are requested to encash the dividend demand drafts immediately on their receipt by them.
- vii. In order to get their dividend through Electronic Clearing Service, members who are holding shares in physical form are requested to inform their bank account details such as the name of the bank, branch, its address, account number and type of account i.e. Savings or Current or Cash Credit etc. to Link Intime India Pvt. Limited (formerly known as Intime Spectrum Registry Limited), Registrar and Transfer Agent of the Company having its office at Akshay Complex, Block No. 202, 2nd Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune 411 001. Shareholders holding shares in demat form are requested to inform their bank account particulars to their respective Depository Participant and not to the Registrar and Transfer Agent/Company. Those shareholders who do not opt for ECS facility may inform these details for printing the same on the dividend warrant to ensure safety.
- viii. Members are requested to immediately notify the Registrar and Transfer Agents (Depository Participant, in case of shares held in demat form) of any change in their address.
- ix. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the meeting so that the information can be made available at the time of the meeting.
- x. Members may avail of the facility of dematerialisation by opening Depository accounts with the Depository Participants of either National Securities Depository Limited OR Central Depository Services (India) Limited and get the equity share certificates held by them dematerialised.
- xi. Members are requested to bring their attendance slip and copy of the annual report at the meeting.

By Order of the Board of Directors

P V Gokhale

Prajakta V Gokhale
Company Secretary

Place: Pune
Date: 28.05.2010

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, and pursuant to Clause 49 of the Listing Agreement, the following Explanatory Statement sets out all material facts relating to Item No. 6 in the accompanying notice of Annual General Meeting of the Company to be held on 12 August 2010 at 2.30 pm at the registered office of the Company at Dandekarwadi, Bhiwandi 421 302, Dist. Thane.

ITEM NO. 6 OF THE NOTICE:

Mr. Jeetendra M. Shende was appointed as an Executive Director of the Company vide resolution passed by the Board of Directors in their meeting dated 21 January 2009 for a period of 5 years with immediate effect and his remuneration was duly approved by the Members at their meeting held on 30 July 2009. He is currently drawing the following remuneration:

Salary: Rs 38,500/- (Rupees Thirty Eight Thousand Five Hundred only) per month.

Perquisites: In addition to the aforesaid salary, Mr. Jeetendra M. Shende as an Executive Director shall be entitled to the following perquisites:

- ◆ Hospitalisation expenses incurred for self and family will be paid on actual basis.
- ◆ Leave travel assistance for self and family not exceeding 1,20,000/- per annum.
- ◆ Personal accident insurance, premium whereof does not exceed 6,000/- per annum.
- ◆ 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.
- ◆ Gratuity at the rate of 15 days' salary for each completed year of service, and
- ◆ Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed at the end of the tenure.

"Family" for the above purpose means wife, dependent children and dependent parents of an Executive Director.

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

COMMISSION:

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

MINIMUM REMUNERATION:

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

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

1. Contribution to provident fund, superannuation fund or annuity fund to the extent of these either singly or put together are not taxable under the Income tax Act, 1961.
2. Gratuity at a rate of 15 days' salary for each completed year of service, and
3. Encashment of leave at the end of the tenure.

In view of his invaluable contribution to the Company, the Board of Directors, have decided to restructure the remuneration of Mr. Jeetendra M. Shende, with effect from April 01, 2009, as stated in the above resolution during his balance tenure as an Executive Director.

The aggregate remuneration, considering the proposed increase, shall always be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provisions of the Companies Act, 1956.

Where in any financial year, during the tenure of Mr. Jeetendra M. Shende, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Jeetendra M. Shende, the above remuneration by way of salary, perquisites and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

The Board of Directors recommends the Ordinary Resolution, set out in Item no. 6 of the Notice, for the approval of the Members.

Other Directorships of Mr. Jeetendra M. Shende are as follows:

1. Kirloskar Consultants Limited - Executive Director
2. G G Dandekar Investments Pte. Ltd. (Wholly owned foreign subsidiary of the Company) - Director

He does not hold any equity shares in the Company.

No Director other than Mr. Jeetendra M. Shende is concerned or interested in the above item.

By Order of the Board of Directors

P V Gokhale

Prajakta V Gokhale
Company Secretary

Place: Pune
Date: 28.05.2010

Directors' Report

To the Members,

The Directors have pleasure in presenting the 71st Annual Report together with audited annual accounts of the Company for the Financial Year ended 31 March 2010.

1. Financial Performance:

	(Rupees)	
	Year ending March 31,	
	2010	2009
Sales (Net of taxes)	192,562,146	172,647,000
Other Income	9,878,230	24,218,804
Profit on sale of Land	0	676,470
Profit on sale of Long Term Investments	(6,085,316)	84,215
Profit before Tax	31,754,356	61,393,905
Provision for Tax:		
Current Tax	13,000,000	20,000,000
Deferred Tax	2,094,904	101,396
Fringe Benefit Tax	0	430,000
Profit after tax	16,659,452	40,862,509
Profit brought forward from the previous year	210,502,839	191,121,142
Profit available for appropriation	227,162,291	231,983,651
Appropriations		
Short Provision for Income tax for earlier years	0	269,058
(a) Proposed Dividend	14,284,161	14,284,161
(b) Corporate Dividend Tax	2,372,421	2,427,593
(c) Transfer to General Reserve	2,000,000	4,500,000
(d) Balance carried to Balance Sheet	208,505,709	210,502,839

2. Dividend

Your directors recommend a dividend of Rs.3/- per share (300%) for the financial year ended 31st March 2010. (Previous Year Rs. 3/- per share (300%).

3. Management Discussion & Analysis

The operations of the Company involve Manufacturing, Sales, Installation, Commissioning and After Sales Service of machines used in processing rice and cereals.

Industry Overview

The food grains processing industry is highly fragmented and spread across the entire country. During 2009-10, the industry witnessed a demand trend in line with its historic past. Timely rain fall, government policies and effect on the banking industry affect the cyclical demand of the industry. The process of paddy purchasing based on seasonality and festivals also determines cash flow and timeliness of the project.

Opportunities and Threats

In the year 2009-10 Company captured a string of orders in the 6 to 12 tonnes per hour range. The Company also saw impressive sales from the newly introduced whiteners, silky and color sorter.

During the year there was alarming increase in the input cost of iron and steel especially in the last two quarters which effected the profitability of the Company. Some of the rise in cost was absorbed by increasing sales realization. The Company sees similar trends in the current year due to huge demand of raw material in the construction, engineering and automobile sectors.

Segment-Wise Performance

The Company is exclusively into single segment of manufacturing of food processing machinery.

Outlook

The market scenario looks cautiously optimistic and there would be continued investments in the food grains machinery industry. Countries in Africa, Southeast Asia and Indian subcontinent are attractive markets for our products and services.

Concerns

During the current year, the industry witnessed entry of many new players selling single machines. As part of entry strategy, pricing was very low complemented with long credit term credit. Company has decided to focus on quality conscience customers who would pay for our performance and reliability.

Adequacy of Internal Controls

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

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

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

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

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

Human Resource Development

The Company has always considered its Human Research as an asset and it is committed towards their development for continuous growth. We believe that highly engaged, talented and innovative people can lead to Business Excellence.

Major HR interventions relate to attraction and retention of talent, leadership development, competency development and employee engagement. The Company has adopted a Key Result Area (KRA) based performance appraisal system, and a performance linked incentive scheme for all its employees.

The Company identifies to nominate employees according to the individual training needs based on Performance Appraisal and Competency Mapping. In-house lectures and workshops are also conducted to stimulate healthy exchange of ideas.

The Company has adopted a policy of recruiting qualified, young and competent managers in order to enthuse energy and excitement which will directly influence creativity, innovation and dynamism in work place.

The total number of employees as on 31 March 2010 are 144.

Industrial Relations

Company continues to enjoy healthy and productive relationship with workers.

Environment

In the year under review the Company has obtained noteworthy certification of ISO 9001:2008 for the purpose of standardisation.

Notes on Subsidiaries

The following may be read in conjunction with the Consolidated Financial Statements enclosed with the Accounts, prepared in accordance with Accounting Standard 21, and the Statement pursuant to Section 212 of the Companies Act, 1956.

G G Dandekar Investments Pte. Ltd.

The Company has incorporated a wholly owned subsidiary in the name of G G Dandekar Investments Pte. Ltd., an Investment Company to enable smooth long term investment in overseas projects, which has its registered office in Singapore.

Consolidated Accounts

The Annual Audited Consolidated Accounts and Cash Flow Statement, comprising of G. G. Dandekar Machine Works Ltd. and its subsidiary Company, appear in this Report in the section 'Consolidated Accounts'. The Auditors' Report on the Consolidated Accounts is also attached. The

Consolidated Accounts have been prepared in accordance with the Accounting Standards prescribed by The Institute of Chartered Accountants of India in this regard.

Forward-Looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

G. G. DANDEKAR MACHINE WORKS LIMITED

4. Directors

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

The brief resume and other details, as required to be disclosed under Clause 49 of the Listing Agreement, form part of the Report on Corporate Governance.

5. Auditors

Joshi & Kulkarni, Chartered Accountants, Statutory Auditors (Firm Registration No. 115751 W) of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Members are requested to appoint auditors for the current year and to authorise the Board to fix their remuneration.

6. Corporate Governance

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

7. SEBI Regulations & Listing Fees

Since SEBI has stipulated electronic filing of Annual Report, Corporate Governance Report, Financial Results, Share Holding Pattern, etc. on website www.sebidifar.nic.in, statements of your Company can be accessed at this website as well as on the Company Website www.ggdandekar.com.

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

8. Fixed Deposits

The Company does not accept fixed deposits.

9. Directors' Responsibility Statement

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

That in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;

That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

The Directors have prepared the annual accounts on a going concern basis.

10. Statutory Disclosures

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


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


11. Acknowledgements

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

For and on behalf of the Board of Directors

Date: 28 May 2010
Place: Pune


Jeetendra M. Shende
Executive Director


Nihal G. Kulkarni
Vice Chairman

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

(a) Energy conservation measures taken:	The Company continues to take all possible steps to conserve energy. These include modern electric fittings/ equipments which consume less energy than conventional ones.
(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:	
(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:	

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

Particulars	Current Year 2009-10	Previous Year 2008-09
ELECTRICITY:		
(I) Purchased units	2,90,272	280,038
Total Amount	16,83,394	15,52,111
Rate/Unit (Rs.)	5.8	5.54
(II) Own Generation :		
Through Diesel Generation	6,685	12,654
Unit/litre of Diesel	2.32	2.27
Cost/Unit (Rs.)	15.63	15.80
Through steam turbine/ generator	-----	-----
Unit/litre of fuel oil/ gas	-----	-----
Cost/ unit	-----	-----
(III) Total Energy Consumption:		
Units	196,957	292,692
Cost/ unit (Rs.)	9.08	5.99

B TECHNOLOGY ABSORPTION:

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

Research & Development:**Rice Whitener**

A Rice Whitener Machine, a combination of Cone Polisher and Vertijet Polisher developed by the Company along-with an International player, which will serve the purpose of suitability for milling raw, steamed and boiled rice. The design of machine is studied considering every cone of polisher need powerful aspiration through polishing chamber for effective cooling of rice similar of Vertijet Polisher for obtaining more whitening effect on rice. The machine is fitted with specially designed stainless steel screen for more life and better performance.

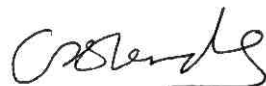
C FOREIGN EXCHANGE EARNING & OUTGO:

The required information in respect of foreign exchange earnings and outgo is given in Note No. 13 (e) to (g) of the Accounts.

Annexure B

Since the Company does not have any employee who is drawing salary as specified in Section 217(2A) of the Companies Act, 1956, read with the Companies (Particular of Employees), Rules, 1975, i.e. Rs. 24,00,000 per annum for those who are employed throughout the financial year or Rs. 2,00,000 per month for those who are employed for the part of the financial year, the disclosure is not required to be made.

For and on behalf of the Board of Directors



Jeetendra M. Shende
Executive Director



Nihal G. Kulkarni
Vice Chairman

Date: 28 May 2010
Place: Pune

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

Company No.: 11 - 2869

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

We have examined the registers, records, books and papers of **G. G. DANDEKAR MACHINE WORKS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

- 1 The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
- 2 The Company has filed the forms and returns, as stated in Annexure 'B' to this certificate with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
- 3 The Company being a Public Limited Company, comments are not required.
However in any case Company during the year ended 31st March 2010:
 - a. has not invited public to subscribe for its shares or debentures; and
 - b. has not invited or accepted any deposits from persons other than its members, directors or their relatives.
- 4 The Board of Directors duly met 6 (six) times on 24/04/2009, 20/05/2009, 08/06/2009, 30/07/2009, 28/10/2009 and 20/01/2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Company has not passed any resolution by Circulation.
- 5 The Company has closed its Register of Members from 22nd July 2009 to 30th July 2009 during the financial year ended 31st March 2010 after complying with the provisions of Section 154 of the Act.
- 6 The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 30th July 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7 No Extra Ordinary General Meeting was held during the financial year ended 31st March 2010.
- 8 The Company has not advanced any loans to the Directors and / or firms or companies referred in the Section 295 of the Act during the financial year ended 31st March 2010.
- 9 The Company has not entered into any fresh contracts as specified under Section 297 of the Act during the financial year ended 31st March 2010.
- 10 The Company has entered into contracts, which attract provisions of Section 301 of the Act and entries were made in the register maintained as per provisions of Section 301 of the Act.
- 11 As there were no instances falling within purview of Section 314 of the Act during the financial year ended 31st March 2010, the Company has not obtained any approvals from the Board of Directors, Members or Central Government as the case may be.
- 12 The Board of Directors has approved the issue of duplicate share certificates during the financial ended on 31st March 2010.
- 13 The Company has:
 - a) not made any allotment of securities and the Company had delivered all the certificates on lodgment thereof for transfer of shares in accordance with the provisions of the Act.
 - b) deposited the amount of dividend in a separate Bank account on 1st August 2009 which was within 5 days from the date of declaration of such dividend.
 - c) paid warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration.
 - d) transferred the amounts in unpaid Dividend Account which have remained unclaimed, unpaid for a period of seven years to Investors Education and Protection Fund.
 - e) duly complied with the requirements of Section 217 of the Act.
- 14 The Board of Directors of the Company is duly constituted.
- 15 The Company has appointed Mr. Jeetendra M. Shende as a whole time director designated as an Executive Director during the financial year ended on 31st March 2010.
- 16 The Company has not appointed any sole selling agents during the financial year ended on 31st March 2010.

- 17 The Company has not initiated any proceedings / actions during the financial year ended 31st March 2010, requiring the Company to obtain necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
- 18 The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19 The Company has not issued any Equity Shares / Debentures or other securities during the financial year ended on 31st March 2010.
- 20 The Company has not bought back any shares during the financial year ended 31st March 2010.
- 21 The Company does not have preference share capital and has not issued debentures.
- 22 The Company has declared dividend and has not issued any rights shares or issued any bonus shares during the financial year ended 31st March 2010. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
- 23 The Company has not invited or accepted any deposit including any unsecured loans falling within the purview of Section 58A during the financial year ended on 31st March 2010.
- 24 The amount borrowed by the Company from financial institutions during the financial year ending 31st March 2010 are within the borrowing limits of the Company as per the provisions of Section 293(1)(d) of the Companies Act.
- 25 The Company has made investments and has complied with the provisions of Section 372A and other provisions of the act and necessary entries in the register are being made. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate.
- 26 The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year ended on 31st March 2010.
- 27 The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year ended on 31st March 2010.
- 28 The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year ended on 31st March 2010.
- 29 The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year ended on 31st March 2010.
- 30 The Company has not altered the provisions of Articles of Association during the year ended on 31st March 2010.
- 31 There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment were imposed on the Company during the financial year, for offences under the Act.
- 32 The Company has not received any money as security from its employees during the financial year ended on 31st March 2010.
- 33 The Company has not framed any scheme of Provident Fund for its employees as contemplated by Section 418 of the Companies Act, 1956.

KANJ & ASSOCIATES
Company Secretaries

MAHESH A. ATHAVALE
Partner
CP No.: 1488

Date: 19th May 2010
Place: Pune

**COMPLIANCE CERTIFICATE
G. G. DANDEKAR MACHINE WORKS LIMITED****Annexure A****Statutory Registers as maintained by the Company during the financial year ended 31st March 2010.**

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

Annexure B**Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ended on 31st March, 2010**

Sr. No.	Particulars of Form	Sec No.	Purpose of Filing	Date of Filing & SRN
1	Form 25C	269	Appointment of Mr. Jeetendra M. Shende as an Executive Director	27/08/2009, A68097542
2	Annual Accounts for year ended 31 st March, 2009 (Form 23AC & 23ACA)	220	Annual Filing	03/09/2009, P34251033
3	Compliance Certificate for the year ended 31 st March, 2009 (Form 66)	383(A)	Annual Filing	25/08/2009, P34009209
4	Form 23 Appointment of Mr. Jeetendra M. Shende as Whole Time Director designated as an Executive Director	192	Registration of Resolution	27/08/2009, A68092238
5	Annual Return as on 30 th July, 2009 (Form 20B)	159	Annual Filing	09/09/2009, P34401109
6	Form 1 (IEPF)	205A	Transfer of Unclaimed dividend	26/11/2009, A73101081
7	Form 32 Appointment of Mr. Jeetendra M. Shende as an Executive Director	303(2)	Appointment of Directors	16/09/2009, A69384162
8	Form 8	125	Creation of charge of HDFC Bank Limited, Nagpur on Company car (Indigo)	03/02/2010, A77701639
9	Form 17	125	Satisfaction of Charge	16/04/2009, A59914671
10	Form 17	125	Satisfaction of Charge	16/04/2009, A59914135
11	Form 17	125	Satisfaction of Charge	16/04/2009, A59913384
12	Form 23B	224(1B)	Appointment of Auditors	21/08/2009, S00785055
13	Form 23B	224(1B)	Appointment of Auditors	12/08/2009, S00749242

KANJ & ASSOCIATES
Company SecretariesDate: 19th May 2010
Place: Pune**MAHESH A. ATHAVALE**
Partner
CP No.: 1488

Report on Corporate Governance (Pursuant to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

a. Composition of the Board

The strength of the Board was six Directors as on 31 March 2010, comprising of one Executive Director and five Non-Executive Directors, including Chairman. The Non-Executive Directors constituted more than one third of the total number of Directors. Three out of six Directors were independent directors, which duly complies with the requirement of Clause 49 I (A) of the Listing Agreement.

b. Number of Board Meetings

The Board met 6 times during the financial year 2009-10 on 24 April 2009, 20 May 2009, 8 June 2009, 30 July 2009, 28 October 2009 and 21 January 2010. The gap between two board meetings did not exceed four months

c. Board Procedure

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

Among others, the information supplied to the Board includes:

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

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

The information on composition of the Board as on 31 March 2010, category of directors, attendance at Board meetings held during the financial year and at the last Annual General Meeting, Directorships in other public companies and committees of other public companies of which the director is a Member/ Chairman is as under:

Sr. No.	Name of Director	Category	Financial Year Attendance at	2009-10	No. of Directorships in other public companies incorporated in India	Committee positions held in other companies	
			Board Meetings	Last AGM		+C	#M
1	Mr. Atul C. Kirloskar	Chairman NED +@	5	Present	5	2	1
2	Mr. Nihal G. Kulkarni	VC and NED@	6	Present	4	-	3
3	Mr. Jeetendra M Shende	ED	6	Present	1	-	-
4	Mr. Dattatraya R Swar	I and NED	6	Present	3	-	1
5	Ms. Aditi V. Chirmule	I and NED	6	Present	-	-	-
6	Mr. Vinod R. Sethi	I and NED	4	Present	11	4	15

G. G. DANDEKAR MACHINE WORKS LIMITED

Abbreviations:

ED : Executive Director, I : Independent, NED : Non-Executive Director, + : Chairman, # : Member

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

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

Shareholding of Non Executive Directors:

Mr. Atul C Kirloskar, Non Executive Chairman holds 7,96,645 (16.73%) equity shares in the Company.

3. AUDIT COMMITTEE

Terms of reference:

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

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

Composition, name of the members and Chairman:

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

Meetings and attendance during the year:

During the year under review, 5 meetings of the Audit Committee were held on 24 April 2009, 8 June 2009, 23 July 2009, 28 October 2009 and 20 January 2010.

The composition of the committee, names of members and attendance at its meetings is given below:

Sr. No.	<u>Name of the member Director</u>	<u>No. of meetings attended</u>
1	Mr. Dattatraya R. Swar - Chairman	5
2	Ms. Aditi V. Chirmule	5
3	Mr. Nihal G. Kulkarni	5
4	Mr. Vinod R Sethi	4

4. REMUNERATION TO DIRECTORS

The Company has not set up a Remuneration committee. The Board of Directors decides the remuneration of the Executive Director in accordance with the provisions of the Companies Act, 1956, subject to the approval of the shareholders. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Executive Director. The Board also decides the commission payable to the Executive Director on determination of the profits for the Financial Year, within the ceilings prescribed under Sections 198 and 309 of the Companies Act, 1956.

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval obtained at the AGM held on 30 July 2009, the Commission is paid at a rate not exceeding 1% per annum of the profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956). The distribution of Commission amongst the NEDs is placed before the Board. The Commission is distributed on the basis of their attendance and contribution at the Board and certain Committee Meetings as well as time spent on operational matters other than at the meetings.

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.

Continued...

The details of the remuneration of the Directors.

Directors	Salary (Rs.)	Perquisites (Rs.)	Allowances (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Atul C. Kirloskar	-	-	-	20,528	25,000	45,528
Mr. Nihal G. Kulkarni	-	-	-	57,477	70,000	127,477
Mr. Jeetendra M Shende	462,000	289,225	628,800	290,000	-	1,670,025
Mr. Dattatraya R. Swar	-	-	-	45,161	55,000	100,161
Ms. Aditi V. Chirmule	-	-	-	57,477	70,000	127,477
Mr. Vinod Sethi	-	-	-	32,844	40,000	72,844
Total	462,000	289,225	628,800	503,487	260,000	2,143,512

Notes: Salary = Basic salary only.

Perquisites include reimbursement of hospitalization expenses for self and family at actuals, leave travel assistance not exceeding Rs. 1,20,000 p.a, Personal accident insurance, premium whereof not exceeding Rs. 6,000/- per annum, contributions to provident fund and superannuation fund, provision for gratuity and leave encashment, perquisite value as per Income-tax Rules for furniture at residence and provision of motor car.

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

5. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

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

Mr. Jeetendra M. Shende, Executive Director jointly with Mrs. Prajakta V. Gokhale, Company Secretary are the Compliance Officers. The Compliance Officers can be contacted at:

G G Dandekar Machine Works Limited
Dandekarwadi, Bhiwandi 421 302, Dist Thane
Tel No: (02522) 229870 / 71 / 72
Fax: (02522) 229873
E-mail: jiten.shende@ggdandekar.com / prajakta.bhide@ggdandekar.com

Separate email-id for redressal of investors' complaints

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

The total number of complaints received and replied to the satisfaction of the shareholders during the year ended 31 March 2010 were Twenty Four (24) and there were no complaints outstanding as on 31 March 2010.

The Company had no share transfer requests pending as on 31 March 2010.

6. GENERAL BODY MEETINGS

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

<u>Financial Year</u>	<u>Status</u>	<u>Date</u>	<u>Time</u>
2006-2007*	AGM	23 July 2007	11.00 a.m.
2007-2008**	AGM	21 July 2008	11.00 a.m.
2008-2009***	AGM	30 July 2009	11.00 a.m.

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

- * Appointment of Mr. Gurunath J Karandikar as Managing Director of the Company for the period of 3 years with effect from 28th December 2006.
- ** Alteration of Articles of Association of the Company by replacing and / or omitting or deleting the redundant provisions.
- *** Appointment of M/s Joshi & Kulkarni, Chartered Accountants as Statutory Auditors of the Company in place of retiring Auditors M/s S P Ghanekar & Co., Chartered Accountants.
- *** Appointment of Jeetendra M Shende as the Executive Director of the Company and payment of Remuneration under Section 198, 269, 309, 311 and Schedule XIII of the Companies Act, 1956.
- *** Payment of Commission to Directors (Other than the Working Directors, if any) under Section 309 of the Companies Act, 1956.

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

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

7. DISCLOSURES

- (a) Related Party Transactions :
Please refer to Note No. 11 of Notes to Accounts for materially significant related party transactions.
- (b) Statutory compliance, Penalties and Strictures :
There has been no non-compliance of any legal requirements not have there been any strictures imposed by any Stock Exchange or SEBI or any other statutory authorities on any matters relating to the Capital Market over the last three years.

G. G. DANDEKAR MACHINE WORKS LIMITED

(c) Listing Agreement Compliance :

The Company complies with all the requirements of the Listing Agreement including the mandatory requirements of Clause 49 of the Agreement.

(d) Code of conduct :

The Board has introduced a Code of Conduct for the Board of Directors and Senior Management. The Code is posted on Company's website www.ggdandekar.com.

The Board members and Senior Management personnel have affirmed compliance with the Code. A declaration to that effect signed by Mr. Atul C Kirloskar, Chairman forms a part of this Report.

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

i. The Board :

The Chairman of the Company is a Non Executive Director. No office is being maintained by him at Company expense.

There is no limit on the tenure of the Independent Directors on the Board of the Company.

ii. Shareholders' 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 Company's website and on the website of the Bombay Stock Exchange Limited, the Company does not send any declaration of half yearly performance to the shareholders.

iii. Audit qualification:

The Company is already in the regime of unqualified financial statements.

iv. Whistle Blower Policy:

The Company does not have a formal Whistle Blower policy. However, any employee, if he / she so desires, has not been and would not be denied access to the Audit Committee.

8. PARTICULARS OF RE-APPOINTMENT OF DIRECTORS

Mr. Atul C Kirloskar

Mr. Atul C Kirloskar, Graduate in Engineering from Worcester Institute of Technology, USA is a Chairman and Managing Director of Kirloskar Industries Limited (Previously known as Kirloskar Oil Engines Limited) and Kirloskar Engines India Limited. He began his career with the erstwhile Kirloskar Cummins Limited in the year 1978, where he started as a trainee. He was appointed on the Board of the Company on 22 May 1992 as the Chairman.

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

1. Kirloskar Ferrous Industries Limited * \$
2. Kirloskar Industries Limited (Previously known as Kirloskar Oil Engines Limited) #
3. Kirloskar Engines India Limited
4. Kirloskar Brothers Investments Limited
5. Kirloskar Proprietary Limited
6. Asara Sales & Investments Private Limited
7. Five Stars Bulkcarriers Private Limited
8. Navsai Investments Private Limited
9. Toyota Kirloskar Motor Private Limited
10. Kirloskar Kenya Limited, Nairobi, Kenya

* - Finance Committee – Chairman

\$ - Share Transfer cum Shareholders/Investors Grievance Committee – Chairman

- Share Transfer cum Shareholders/Investors Grievance Committee – Member

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

Mr. Atul C Kirloskar holds 7,96,645 (16.73%) equity shares in the Company.

Mr. Atul C Kirloskar is not related to any of the Directors on the Board of the Company.

Mr. Nihal G Kulkarni

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

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

1. Kirloskar Consultants Limited
2. Kirloskar Industries Limited (Previously known as Kirloskar Oil Engines Limited)*
3. Kirloskar Engines India Limited*
4. Kirloskar Brothers Investments Limited*
5. G G Dandekar Investments Pte. Limited (Wholly Owned Subsidiary Company incorporated in Singapore)

* - Audit Committee – Member

He is Vice President of Kirloskar Pneumatic Company Limited.

He does not hold any equity shares in the Company.

Mr. Nihal G Kulkarni is not related to any of the Directors on the Board of the Company.

9. MEANS OF COMMUNICATION

The Quarterly and Half Yearly results are published in national and local dailies such as Financial Express in English and Navashakti in Marathi. Those were not sent individually to the shareholders.

The quarterly/half-yearly un-audited financial results and quarterly shareholding pattern were displayed on the Company's website.

The quarterly shareholding pattern and quarterly/half-yearly un-audited results were also posted on SEBI website www.sebidifar.nic.in. (Pursuant to Circular No. CIR/CFD/DCR/3/2010 dated 16 April 2010, SEBI has discontinued the EDIFAR with effect from 1 April 2010.)

The Company's website www.ggdandekar.com contains a separate dedicated section "Investor Information" where information for shareholders is available.

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report.

10. General Shareholder Information –

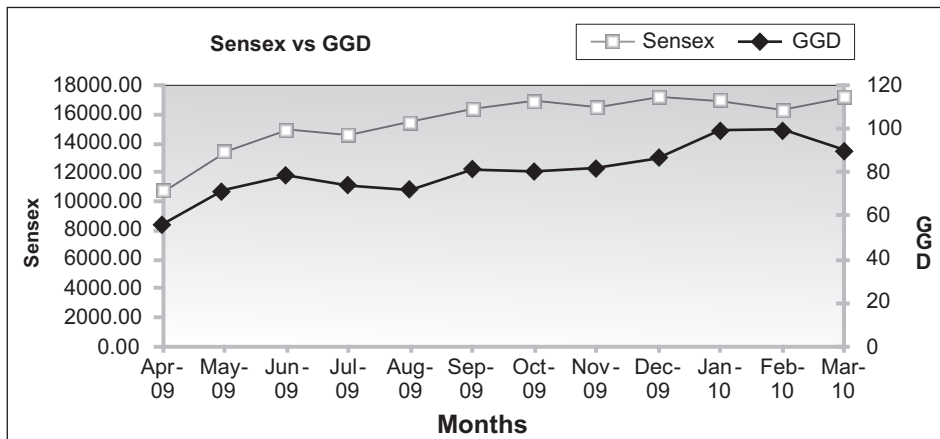
Annual General Meeting	
Date and Time	12 August 2010, 2.30 p.m
Venue	Registered office of the Company at: Dandekarwadi, Bhiwandi 421 302, Dist. Thane.
Financial Calendar	1 April 2009 to 31 March 2010 During the year the results were announced as under: First quarter: on 30 July 2009 Second quarter: on 28 October 2009 Third quarter: on 20 January 2010 Annual: on 28 May 2010
Date of Book Closure	1 August 2010 to 12 August 2010 (both days inclusive)
Dividend payment date	20 August 2010
Listing on stock exchanges (Stock Code)	The Company's shares are listed on: Bombay Stock Exchange Limited, Mumbai (505250)

Market Price Data

Monthly high/low during the year 2009-2010 on the Bombay Stock Exchange Limited:

Bombay Stock Exchange Limited, Mumbai		
Month	High (Rs.)	Low (Rs.)
April 2009	63.50	47.10
May 2009	93.50	47.25
June 2009	89.10	67.00
July 2009	79.45	67.00
August 2009	76.00	67.50
September 2009	90.80	71.00
October 2009	86.50	72.60
November 2009	92.00	70.00
December 2009	94.90	77.15
January 2010	113.75	83.40
February 2010	113.80	83.00
March 2010	94.00	84.55

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



G. G. DANDEKAR MACHINE WORKS LIMITED

Distribution of Shareholding (as on 31 March 2010)

Range of shares		Number of holders		% to total holders		Total face value		% to total face value	
From	To	Physical	Demat	Physical	Demat	Physical	Demat	Physical	Demat
1	500	346	2,537	69.4779	174.5402	97,080	373,303	2.0389	7.8403
501	1000	71	212	14.2570	13.8939	61,160	169,794	1.2845	3.5661
1,001	2000	40	109	8.0321	6.7001	63,270	162,469	1.3288	3.4123
2,001	3000	16	27	3.2129	1.6908	40,410	67,413	0.8487	1.4159
3,001	4000	10	10	2.0080	0.6704	34,920	33,578	0.7334	0.7052
4,001	5000	5	12	1.0040	0.8271	22,050	55,516	0.4631	1.1814
5,001	10000	6	11	1.2048	0.607	42,210	90,175	0.8865	1.8939
10,001		4	18	0.8032	1.0706	86,670	405,329	1.8203	10.5964
SUBTOTAL		498	2,936	100.00	100.00	447,770	4,313,617	9.4042	90.5958
TOTAL				100.00				100.00	

Shareholding Pattern as on 31 March 2010

Category	No. of shares	%
Promoters	23,86,335	50.12
Resident Individuals	14,20,065	29.82
Private Corporate Bodies	3,44,002	7.22
Financial Institutions	3,94,370	8.28
Nationalised and other Banks	8100	0.17
FII's and NRIs	1,82,758	3.84
Others	25757	0.54
TOTAL	4761387	100.00

The constituents of 'Group' as prescribed in Regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 comprises Better Value Holdings Private Limited, Kirloskar Brothers Limited, Kirloskar Industries Limited, Kirloskar Engines India Limited, Kirloskar Pneumatic Company Limited, Kirloskar Ferrous Industries Limited, Pooja Credits Private Limited, Kirloskar Silk Industries Limited, Kirloskar Constructions and Engineers Limited, Gondwana Engineers Limited, The Kolhapur Steel Limited, Kirloskar Corrocoat Private Limited, Kirloskar Systems Limited, Asara Sales & Investments Private Limited, Cees Investments and Consultants Private Limited, Navsai Investments Private Limited, Prakar Investments Private Limited, Alpak Investments Private Limited, Achyut & Neeta Holdings & Finance Private Limited, Sri Harihareshwara Finance & Investments Private Limited, VikramGeet Investments and Holdings Private Limited, Kirloskar Integrated Technologies Limited, Kothrud Power Equipment Limited, Koppal Mines & Minerals Private Limited, Kirloskar Proprietary Limited, G. G. Dandekar Machine Works Limited, Mahila Udyog Limited, Kirloskar Chillers Private Limited, Kirloskar Roadrailer Limited, Hematic Motors Private Limited, Pressmatic Electro Stampings Private Limited, Quadromatic Engineering Private Limited, Kirloskar Brothers Investments Limited, Kirloskar Consultants Limited, Suman Kirloskar, Mrinalini Kirloskar, Neeta A. Kulkarni, Atul C. Kirloskar, Arti Kirloskar, Gauri Kirloskar, Aditi Kirloskar, Sanjay C. Kirloskar, Pratima Kirloskar, Alok Kirloskar, Rama Kirloskar, Rahul C. Kirloskar, Alpina Kirloskar, Alika Kirloskar, Aman Kirloskar, Gautam A. Kulkarni, Jyotsna Kulkarni, Nihal Kulkarni, Gargi Nihal Kulkarni, Shruti Kulkarni, Ambar Kulkarni, Komal Kulkarni, Vikram S. Kirloskar, Geetanjali Kirloskar, Manasi Kirloskar, Roopa Gupta and Chandrashekhar H. Naniwadekar.

Registrar and Transfer Agent:

SEBI vide its circular D&CC/FITTC/CIR-15/2002 dated 27 December 2002 had instructed that all the work relating to share registry in terms of both physical and electronic (demat) mode should be maintained at a single point i.e. either in-house by the Company or by a SEBI registered Registrar and Transfer Agent. The Company transferred the entire work relating to processing of transfer of shares to an outside agency i.e. Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited) being a SEBI Registered R & T Agent instead of setting up an in-house share transfer registry.

Link Intime India Private Limited	Block No. 202, 2 nd Floor, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411001 Contact Person: Mr. P. N. Albal Tel: 020-26051629/26050084 Fax: 020- 26053503 Email: pune@linkintime.co.in
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Share Transfer System:

The applications for transfer of shares received by the Company's Registrar and Share Transfer Agents in physical form are processed, registered within 30 days of receipt of the documents valid in all respects. After such processing, the Registrar and Share Transfer Agents will issue share certificate to all other shareholders within 30 days of receipt of certificate for transfer. Shares under objection are returned within a week's time. The transfer applications are approved periodically.

Dematerialisation of shares:

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. As on 31 March 2010, 43,13,617 equity shares being 90.60% of the total equity share capital of the Company was held in dematerialised form.

Particulars	No. of Shares	Percentage of Shares
No. of Shares held by NSDL	40,00,402	84.02
No. of Shares held by CDSL	3,13,215	6.58
Physical Shares	4,47,770	9.4
Total	47,61,387	100.00

Company does not have GDR/ADR/Warrants or any convertible instruments.

Plant Locations:

<u>Plant Location</u>	<u>Products produced</u>
Bhiwandi	Rice Mills, Dal Mills, Food Processing Machinery and Accessories
Nagpur (Proposed)	Food Processing Machinery and Accessories

Address for correspondence:

Shareholders' correspondence should be addressed to Link Intime India Private Limited, Registrar and Transfer Agent at the address mentioned below :

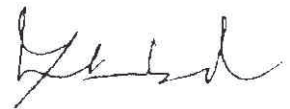
Block No. 202, 2nd Floor, Akshay Complex,
Near Ganesh Temple,
Off. Dhole Patil Road, Pune - 411001
Contact Person: Mr. P. N. Albal
Tel: 020-26051629/26050084
Fax: 020- 26053503
Email: pune@linkintime.co.in

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

The Shareholders,

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

FOR G G DANDEKAR MACHINE WORKS LIMITED



ATUL C. KIRLOS KAR
Chairman

Place: Pune
Date: 10th May 2010

G. G. DANDEKAR MACHINE WORKS LIMITED

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

To
The Members of
G.G. DANDEKAR MACHINE WORKS LIMITED
Dandekarwadi, Bhiwandi,
Thane - 421302
Maharashtra.

We have examined the compliance conditions of Corporate Governance by G. G. DANDEKAR MACHINE WORKS LIMITED for the year ended on March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited.

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

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

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

For KANJ & ASSOCIATES,
Company Secretaries

MAHESH A. ATHAVALE
Partner
CP No. : 1488

Place: Pune
Date : 19th May 2010

Auditor's Report on Financial Statements.

The Members

G. G. Dandekar Machine Works Ltd.
Bhiwandi, Maharashtra.

1. We have audited the attached Balance Sheet of M/s G. G. Dandekar Machine Works Ltd., as at 31 March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principle used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of the Company for the year ended 31 March 2009, were audited by other independent accountants whose report dated 8 June 2009, expressed a qualified opinion on those statements. The balances as on 31 March 2009, have been considered as opening balances for the purpose of these financial statements.
4. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books,
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of accounts.
 - (iv) On the basis of written representations received from the Directors, as on 31 March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 March 2010 from being appointed as a Director in terms of clause (g) of Sub-Section (1) of the Section 274 of the Companies Act, 1956.
 - (v) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31 March 2010;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Joshi & Kulkarni**,
Chartered Accountants,
Firm Regn No. 115751W

(Dilip P. Joshi)
Partner
M. No. 017440

Place : Pune
Date : 28.05.2010

Annexure to Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i) **In respect of its fixed assets:**
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable interval in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of fixed assets during the year.
- (ii) **In respect of its inventories:**
- (a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, and according to information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.
- (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on verification between the physical stocks and the book records.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loan secured or unsecured, to companies, firm, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 Clause (b) to (d) : In view of reply to (a) above in our opinion, are not applicable.
- (e) According to the information and explanations given to us, the Company has not taken any loan secured or unsecured, from companies, firm, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 Clause (f) & (g) : In view of reply to (e) above in our opinion, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and exceeding the value of Rs. Five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the directives issued by the Reserve Bank of India and Sections 58A, 58AA or any other relevant provisions of the Act, and therefore, the provisions of the said directive Sections or Rules made there under are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business, however the scope of internal audit needs to be enhanced.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any product of the Company.
- (ix) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31 March 2010 for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating to Rs. 396.12 lacs, that have not been paid on account of matters pending before appropriate authorities are as under :

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

- (x) According to the information and explanations given to us, the Company has no accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institution.
- (xvi) According to the information and explanations given to us and to the best of our knowledge and belief, the term loan availed by the Company have been, prima facie, applied by the Company for the purpose for which it was obtained.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that funds on short-term basis have, prima facie, not been used for long term investment.
- (xviii) According to the information and explanation given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) According to the information and explanation given to us, during the period covered by our audit report, the Company had not issued any debentures.
- (xx) The Company has not raised any money by way of public issues.
- (xxi) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Joshi & Kulkarni**,
Chartered Accountants,
Firm Regn No. 115751W

(Dilip P. Joshi)
Partner
M. No. 017440

Place : Pune
Date : 28.05.2010

G. G. DANDEKAR MACHINE WORKS LIMITED**G.G.DANDEKAR MACHINE WORKS LTD.
BALANCE SHEET AS AT 31ST MARCH, 2010**

			Amount in Rupees	
	Sch.	Details	As on 31.03.2010	As on 31.03.2009
SOURCES OF FUNDS:				
1 SHAREHOLDER'S FUNDS:				
a) Share Capital	A	4,761,387		4,761,387
b) Reserves & Surplus	B	<u>302,266,680</u>		<u>302,263,810</u>
			307,028,067	<u>307,025,197</u>
2 LOAN FUNDS:				
a) Secured Loans	C	13,645,232		0
b) Unsecured Loans	D	<u>1,699,922</u>	15,345,154	0
3 DEFERRED TAX LIABILITY (Refer Note No.10)			1,069,817	101,396
TOTAL FUNDS EMPLOYED			<u>323,443,038</u>	<u>307,126,593</u>
APPLICATION OF FUNDS:				
1 FIXED ASSETS				
Gross Block	E	51,920,382		20,930,685
Less:-Accumulated Depreciation & Amortisation		<u>17,228,631</u>		<u>16,467,396</u>
Net Block		34,691,751		4,463,289
Capital Work in Progress (Including Capital Advance)		<u>10,116,608</u>	44,808,359	<u>0</u>
2 INVESTMENTS			151,397,312	143,265,053
3 DEFERRED TAX ASSET			82,106	1,208,589
4 A) CURRENT ASSETS, LOANS & ADVANCES				
a. Inventories		47,028,595		26,711,355
b. Sundry Debtors		5,394,453		3,474,948
c. Cash and Bank Balances		84,744,958		143,480,955
d. Other Current Assets		2,527,251		1,677,954
e. Loans & Advances		<u>35,721,713</u>		<u>21,727,924</u>
		175,416,970		197,073,136
B) Less: CURRENT LIABILITIES & PROVISIONS				
a. Current Liabilities	H	23,368,987		14,177,138
b. Provisions		<u>24,892,722</u>		<u>24,706,336</u>
		48,261,709		38,883,474
NET CURRENT ASSETS			127,155,261	158,189,662
TOTAL FUNDS APPLIED			<u>323,443,038</u>	<u>307,126,593</u>
Schedule of Notes to Accounts			Q	
Schedules A to Q form an integral part of the financial statements				

As per our report of even date attached

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

On behalf of the Board of Directors

(Dilip P. Joshi)
Partner
M. No. 17440
Place : Pune
Date : 28.05.2010**Pranav V. Deshpande**
Head – Finance**Prajakta V. Gokhale**
Company Secretary**Jeetendra M. Shende**
Executive Director**Nihal G. Kulkarni**
Vice -ChairmanPlace : Pune
Date : 28.05.2010

G.G.DANDEKAR MACHINE WORKS LTD.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

		Amount in Rupees	
INCOME	Sch.	Current Year	Previous Year
Sales (Net of taxes)		192,562,146	172,647,000
Other Income	I	9,878,230	24,218,804
Increase/(decrease) in Work-in-progress & Finished Goods	J	17,514,839	420,544
TOTAL		219,955,215	197,286,348
EXPENDITURE			
Consumption & Direct Expenses	K	111,443,506	78,508,816
Payment to Employees	L	35,344,687	33,077,668
Interest and Financial Charges	M	549,716	115,804
Selling and Distribution Expenses	N	9,735,340	6,813,479
General Expenses	O	28,483,632	16,184,675
Depreciation & Amortization	E	1,705,088	1,158,796
TOTAL		187,261,969	135,859,238
Profit before Prior period adjustments		32,693,246	61,427,110
Less : Prior Period Adjustments (Refer Note No. 9)		938,890	33,205
Profit before tax		31,754,356	61,393,905
Less: Provision for tax		13,000,000	20,000,000
Provision for deferred tax		2,094,904	101,396
Provision for Fringe Benefit Tax		0	430,000
Profit After Tax		16,659,452	40,862,509
Balance carried forward from last year		210,502,839	191,121,142
Profit available for Appropriation		227,162,291	231,983,651
Less:			
Short provision for Income Tax for earlier years		0	269,058
Proposed Dividend		14,284,161	14,284,161
Corporate Dividend Tax on Dividend		2,372,421	2,427,593
Transfer to General Reserve		2,000,000	4,500,000
Balance carried to Balance Sheet		208,505,709	210,502,839
Basic/ Diluted Earning Per Share (EPS) - Rs.		3.50	8.58
[Equity shares of Re. 1/- each]			
Weighted average number of equity shares		4,761,387	4,761,387

Schedule of Notes to Accounts **Q**
Schedules 'A' to 'Q' form an integral part of the Financial statement.

As per our report of even date attached

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

On behalf of the Board of Directors

(Dilip P. Joshi)
Partner
M. No. 17440
Place : Pune
Date : 28.05.2010

Pranav V. Deshpande
Head – Finance

Prajakta V. Gokhale
Company Secretary

Jeetendra M. Shende
Executive Director

Nihal G. Kulkarni
Vice -Chairman

Place : Pune
Date : 28.05.2010

G. G. DANDEKAR MACHINE WORKS LIMITED

SCHEDULES "A" TO "H" AND "Q" ANNEXED TO & FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2010

SCHEDULE "A" SHARE CAPITAL	Amount in Rupees	
	As on 31.03.2010	As on 31.03.2009
AUTHORISED CAPITAL		
20,000,000 Equity Shares of Re.1/- each (Previous Year 20,000,000 Equity Shares of Re.1/- each)	20,000,000	20,000,000
ISSUED, SUBSCRIBED & PAID-UP CAPITAL :		
4,761,387 Equity Shares of Re.1/- each (Previous Year 4,761,387 Equity Shares of Re. 1/- each)	4,761,387	4,761,387
	4,761,387	4,761,387

Of the above Equity Shares:

- 1) 86,400 Equity Shares of Re.1/- each are allotted as fully paid up shares pursuant to vendor's contract.
- 2) 90,000 Equity Shares of Re. 1/- each have been issued to members as fully paid up Bonus Shares out of Capital Redemption Reserve without payment being received in cash.

SCHEDULE "B" RESERVES AND SURPLUS :	Amount in Rupees	
	As on 31.03.2010	As on 31.03.2009
GENERAL RESERVE		
Balance as per last Balance Sheet	91,760,971	87,260,971
Additon during the year	2,000,000	4,500,000
	93,760,971	91,760,971
Profit & Loss Account		
Balance as per annexed account	208,505,709	210,502,839
	302,266,680	302,263,810

SCHEDULE "C" SECURED LOANS :	Amount in Rupees	
	As on 31.03.2010	As on 31.03.2009
LOANS and ADVANCES		
From Banks		
Cash Credit Account	13,236,050	0
Term Loan	409,182	0
(Refer Note no. 3 in Schedule Q)		
	13,645,232	0

SCHEDULE "D" UNSECURED LOANS :	Amount in Rupees	
	As on 31.03.2010	As on 31.03.2009
OTHER LOANS AND ADVANCES		
From Banks	1,699,922	0
	1,699,922	0

Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION			Amount in Rupees			
	As on 1.4.2009	Additions during the Year	Deductions during the Year	Total	Written off in Previous Years (till last year)	Deductions during the Year	For the Year	Total	NET BLOCK	
									As on 31.3.2010	As on 31.3.2009
GOODWILL	1	0	0	1	0	0	0	0	1	1
FREEHOLD LAND	52,212	0	0	52,212	0	0	0	0	52,212	52,212
LEASEHOLD LAND	0	23,703,452	0	23,703,452	0	0	84,354	84,354	23,619,098	0
FACTORY BUILDING	2,363,700	190,970	0	2,554,670	2,336,921	0	57,553	2,394,474	160,196	26,779
OTHER BUILDING	1,794,229	15,000	0	1,809,229	1,090,660	0	10,898	1,101,558	707,671	703,569
PLANT & MACHINERY	7,966,016	3,610,113	0	11,576,129	7,690,639	0	419,340	8,109,979	3,466,150	275,377
PATTERNS, JIGS & MOULDS	0	493,487	0	493,487	0	0	60,382	60,382	433,105	0
COMPUTER MACHINERY	2,965,002	747,699	0	3,712,701	2,270,096	0	431,013	2,701,109	1,011,592	694,906
COMPUTER SOFTWARE	2,442,532	639,754	0	3,082,286	607,132	0	326,934	934,066	2,148,220	1,835,400
FURNITURE, FIXTURE & OFFICE EQUIPMENTS	2,253,036	966,070	0	3,219,106	1,528,095	0	169,286	1,697,381	1,521,725	724,941
VEHICLES*	1,093,957	1,717,109	1,093,957	1,717,109	943,853	943,853	145,328	145,328	1,571,781	150,104
TOTAL	20,930,685	32,093,654	1,093,957	51,920,382	16,467,396	943,853	1,705,088	17,228,631	34,691,751	4,463,289
Previous Year	21,807,365	1,320,646	2,197,326	20,930,685	16,862,220	1,553,620	1,158,796	16,467,396	4,463,289	4,945,145
Capital Work-In-Progress**									10,116,608	0

*Rs. 150,104 has been written off in the Current year.

** Capital Work-In-Progress is inclusive of Capital advance of Rs.7,000,000/- (Previous Year – Nil)

G. G. DANDEKAR MACHINE WORKS LIMITED

SCHEDULE " F" - INVESTMENT - LONG TERM -AT COST :	Amount in Rupees	
	As on 31.03.2010	As on 31.03.2009
TRADE & UNQUOTED		
2 shares of Rs. 50/- each fully paid up of Maharashtra State Co-op Bank Ltd.	121	121
1000 Shares of Rs. 10/- each fully paid up of The Saraswat Co.op Bank Ltd.	10,000	10,000
5 shares of Rs. 1000/- each fully paid up of The Engineering Raw Mat. Cons. Corp. Ltd.	5,000	5,000
	I	
	15,121	15,121
IN GOVERNMENT OR TRUST SECURITIES (Unquoted)		
UTI 6.75% Tax free Bonds (285 Units of Rs.100/- each)	28,500	28,500
Rural Electrification Corporation Bonds (5000 units of Rs.1,000/- each)	0	5,000,000
	II	
	28,500	5,028,500
INVESTMENT IN SUBSIDIARY COMPANY		
EQUITY SHARES - FULLY PAID (UNQUOTED)		
G.G. Dandekar Investments Pte. Ltd. (21,16,935 Equity shares of SGD 1 each)	70,410,858	71,523,340
	III	
	70,410,858	71,523,340
IN FULLY PAID EQUITY SHARES NON - TRADE & QUOTED		
Subex Ltd. (12,000 equity shares of Rs.5/- each fully paid)	0	6,654,695
Nucleus Software Ltd. (29,500 (Previous year 24,000) equity shares of Rs.10/- each fully paid) (Market Value Rs.4,060,675/-)	11,344,866	10,770,204
Bharat Bijlee Ltd. (4,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.3,269,400/-)	3,321,512	0
Indraprastha Gas Ltd. (70,000 (Previous year 40,000) equity shares of Rs.10/- each fully paid) (Market Value Rs.15,221,500/-)	8,218,045	4,024,029
Gujarath Gas Company Ltd. (30,000 (Previous year 15,000) equity shares of Rs.2/- each fully paid) (Market Value Rs. 8,526,000/-)	3,959,883	3,959,883
GAIL India Ltd. (15,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.6,147,000/-)	4,223,939	4,223,939

Continued...

NON - TRADE & QUOTED continued**Amount in Rupees**

Marico Ltd. (30,000 equity shares of Re.1/- each fully paid) (Market Value Rs. 3,256,500/-)	1,812,062	1,812,062
NIIT Technologies Ltd. (10,150 equity shares of Rs.10/- each fully paid) (Market Value Rs. 1,728,037.50)	1,338,779	1,338,779
Container Corporation of India Ltd. (2,800 equity shares of Rs.10/- each fully paid) (Market Value Rs. 3,640,700/-)	1,984,727	1,984,727
Lakshmi Machine Works Ltd. (8,349 (Previous year 3,849) equity shares of Rs.10/- each fully paid) (Market Value Rs. 15,131,310.15)	6,174,211	884,077
Thermax Ltd. (9,422 equity shares of Rs. 2/- each fully paid) (Market Value Rs. 6,417,324.20)	1,547,736	1,547,736
Crisil Ltd. (2,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.10,469,400/-)	5,029,303	5,029,303
ICRA Ltd. (8,607 equity shares of Rs.10/- each fully paid) (Market Value Rs.7,573,299.30)	3,888,064	3,888,064
Deccan Chronicle Holdings Ltd. (200 equity shares of Rs. 2/- each fully paid) (Market Value Rs.30,830/-)	8,634	8,634
Savita Oil Technologies Ltd. (Previously known as Savita Chemical Limited) (6,353 equity shares of Rs.10/- each fully paid) (Market Value Rs.2,741,954.80)	1,017,283	0
Automotive Axles Ltd. (20,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.8,081,000/-)	2,829,963	0
Gruh Finance Ltd. (20,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.4,363,000/-)	3,881,866	0
OTHER INVESTMENTS	IV	
	60,580,873	46,126,132
MUTUAL FUNDS - GROWTH SCHEME		
HDFC Floating Rate Income Fund - Growth (Market Value Rs.3,426,209/-)	2,500,000	2,500,000
UTI Treasury Advantage Fund (Market Value Rs.20,111,432/-)	17,861,960	17,861,960
MUTUAL FUNDS - DIVIDEND SCHEME		
UTI MNC Fund	0	210,000
	V	
	20,361,960	20,571,960
TOTAL I + II + III + IV + V	151,397,312	143,265,053

(Amt. In Rs.)

Sr. No.	Particulars	As on March 31, 2010		As on March 31, 2009	
		Cost	Market Value	Cost	Market Value
1	Aggregate value of Non-Trade & Quoted Investments	80,942,833	124,195,572	66,698,092	52,799,133
2	Aggregate value of Trade & Unquoted Investments	70,454,479	-	76,566,961	-
	Total.....	151,397,312	124,195,572	143,265,053	52,799,133

G. G. DANDEKAR MACHINE WORKS LIMITED**SCHEDULE "G" CURRENT ASSETS, LOANS & ADVANCES**

Amount in Rupees

CURRENT ASSETS :**As on**
31.03.2010 **As on**
31.03.2009**INVENTORIES (valued at cost & certified by Management):**

Stores & Accessories	1,000,019	1,000,019
Raw Materials (Net of provision for non - moving items)	14,755,741	13,747,536
Finished Goods	23,971,341	7,999,600
Work-in-progress	5,507,298	3,964,200
Stock in Transit	1,794,196	0
	47,028,595	26,711,355

SUNDRY DEBTORS :**(Unsecured and considered good)**

Debts Outstanding for a period exceeding six months	989,337	0
Other Debts	4,405,116	3,474,948
	5,394,453	3,474,948

CASH AND BANK BALANCES :

Cash in hand	70,325	4,390
Bank Balances with Scheduled Banks		
In Current Accounts	12,474,633	8,376,565
In Deposit Accounts	72,200,000	135,100,000
	84,744,958	143,480,955

OTHER CURRENT ASSETS :

Income Accrued on Deposits	2,527,251	1,677,954
	2,527,251	1,677,954

LOANS AND ADVANCES :**(Unsecured and considered good)**

Receivable from wholly owned subsidiary	1,112,482	0
Advance-Recoverable in cash or in kind or for value to be received		
Advances to Suppliers	5,634,202	1,997,241
Advance for Expenses	2,477,852	683,191
Advance to Staff & Workers	516,513	277,266
Prepaid Expenses	353,421	597,783
Deposits	1,381,289	992,275
Advance Income Tax including Tax Deducted at Source (Net of Provision for Taxation)	5,979,903	2,299,229
Receivable Against Sale of Land	16,087,634	16,087,634
Other Receivable	1,599,285	0
Balances with other Tax authorities	579,132	1,894
	35,721,713	22,936,513*

*Includes deferred tax assets of Rs.1,208,589/- also, which is disclosed separately in the Balance Sheet Statement

SCHEDULE "H" CURRENT LIABILITIES & PROVISIONS**CURRENT LIABILITIES :**

Sundry Creditors for :

a) Goods Supplied

b) Other Expenses & Advances

Advances against Orders

Unclaimed amount of Scheme of Arrangement

Unclaimed Dividends

Directors' Commission Payable

Other Liabilities

PROVISIONS :

Gratuity

Leave Wages

Proposed Dividend

Tax on Proposed Dividend

Amount in Rupees

As on

As on

31.03.2010

31.03.2009

6,949,200

2,503,681

6,585,979

3,731,056

5,985,197

4,300,000

0

1,870,715

921,819

1,490,751

503,487

280,935

2,423,305

0

23,368,987**14,177,138**

6,100,847

5,884,828

2,135,293

2,109,754

14,284,161

14,284,161

2,372,421

2,427,593

24,892,722**24,706,336****SCHEDULES "I" TO "P" AND "Q" ANNEXED TO & FORMING PART OF THE PROFIT & LOSS ACCOUNT AS ON 31ST MARCH, 2010****SCHEDULE "I" OTHER INCOME :**

Interest from Bank & Others

(Gross, TDS - Rs. 6,52,265/-, Previous Year Rs. 29,58,678/-)

Income from Long Term Investment :

Dividend from Non-Trade Investment

Miscellaneous Income

Profit on Sale of Fixed Asset

Profit on Sale of Long term Investment

Sundry Credit balances written back

Amount in Rupees

Current Year

Previous Year

6,980,476

21,800,904

1,020,069

1,135,759

1,373,280

521,456

0

676,470

0

84,215

504,405

0

9,878,230**24,218,804****SCHEDULE "J" INCREASE/ (DECREASE) IN WORK IN PROGRESS & FINISHED GOODS:**

OPENING STOCK :

Finished Goods

Work-in-Progress

Less : CLOSING STOCK :

Finished Goods

Work-in-Progress

INCREASE/ (DECREASE)

Amount in Rupees

Current Year

Previous Year

7,999,600

8,202,197

3,964,200

3,341,059

11,963,800

11,543,256

23,971,341

7,999,600

5,507,298

3,964,200

29,478,639

11,963,800

17,514,839**420,544****SCHEDULE "K" MATERIALS & DIRECT EXPENSES:**

RAW MATERIALS AND STORES CONSUMPTION :

Opening Stock

Add : Purchases

Less : Closing Stock

CONSUMPTION OF RAW MATERIALS AND STORES

OTHER DIRECT EXPENSES :

Packing, Freight & Transport

Power & Fuel

Amount in Rupees

Current Year

Previous Year

14,771,006

12,385,270

108,928,917

78,048,895

123,699,923

90,434,165

15,755,760

14,771,006

107,944,163

75,663,158

1,690,474

1,499,653

1,808,869

1,346,004

111,443,506**78,508,816**

G. G. DANDEKAR MACHINE WORKS LIMITED**SCHEDULE "L" PAYMENTS TO EMPLOYEES :**

	Amount in Rupees	
	Current Year	Previous Year
Salaries, Wages, Bonus & Other Allowances	30,637,540	31,116,566
Staff Welfare Expenses	1,582,709	1,013,664
Gratuity	909,863	(1,387,559)
Contribution to Provident Fund & Other Funds (including contribution of Rs. 7,31,048/- (Previous Year Rs. 4,61,952/-) towards Superannuation Fund.)	2,214,575	2,334,997
	35,344,687	33,077,668

SCHEDULE "M" INTEREST AND FINANCIAL CHARGES :

	Amount in Rupees	
	Current Year	Previous Year
Interest to Banks	383,786	0
Bank Commission & Charges	165,930	115,804
	549,716	115,804

SCHEDULE "N" SELLING AND DISTRIBUTION EXPENSES :

	Amount in Rupees	
	Current Year	Previous Year
Commission on Sales	6,634,258	5,686,211
Warranty Expenses	970,207	0
Advertisement & Exhibition Expenses	575,840	880,888
Sales Promotion Expenses	1,555,035	246,381
	9,735,340	6,813,479

SCHEDULE "O" GENERAL EXPENDITURE :

	Amount in Rupees	
	Current Year	Previous Year
Rent	1,240,246	472,875
Rates & Taxes	1,394,641	2,244,620
Insurance	556,118	955,981
Repairs to :		
Plant & Machinery	236,384	116,351
Building	296,373	208,645
Others	818,238	489,781
Audit Fees	110,300	110,000
Legal & Professional Fees	1,933,929	1,039,650
Research & Development	1,455,441	1,415,175
Directors' Commission (Schedule P)	503,487	280,935
Directors' Sitting Fees	260,000	190,000
Loss on sale of Long Term Investments	6,085,316	0
Traveling and Conveyance	5,181,499	3,873,102
House Keeping Expenses	1,282,232	989,721
Security Charges	2,412,374	1,519,806
Festival Celebration Expenses	412,619	39,937
Regional Office Expenses	463,516	230,829
Postage & Telephone	1,307,131	1,056,450
Annual Maintenance Charges	686,180	0
Foreign Exchange Losses	320,058	0
Miscellaneous Expenses	1,121,707	895,087
Entertainment Expenses	223,323	88,935
Sundry debit balances written off	32,416	0
Assets written off	150,104	0
	28,483,632	16,217,880*

*Includes prior period expenses of Rs.33,205/- also, which is separately disclosed in Profit and Loss Account Statement

SCHEDULE "P" COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 198 AND 309(5) OF THE COMPANIES ACT, 1956.

	Amount in Rupees	
	Current Year	Previous Year
Profit before Tax as per Profit & Loss A/c	31,754,356	61,393,905
Add :		
Directors Remuneration	1,380,025	1,789,410
Director's Sitting Fees	260,000	190,000
Director's Commission	503,487	280,935
Loss on sale of Investment	6,085,316	0
Assets Written off	150,104	84,215
	40,133,288	59,049,345
Less:		
Profit on sale of Fixed Assets	-	676,470
Profit on sale of Long Tern Investment	-	84,215
	-	760,685
Net Profit as per Sections 349 & 350 of the Companies Act, 1956	40,133,288	58,288,660
Maximum Remuneration payable @ 5% (10% for Previous Year)	2,006,664	5,828,866
Less: Remuneration Restricted to Rupees	2,005,551	1,789,410
Commission to Other Directors @ 1%	401,333	582,887
Restricted to Rs.	213,487	280,935

G. G. DANDEKAR MACHINE WORKS LIMITED

G G DANDEKAR MACHINE WORKS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST MARCH, 2010

Particulars	Amount in Rupees	
	For the Year Ended on 31.03.10	For the Year Ended on 31.03.09
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation	31,754,356	61,393,905
Adjustments for :		
Depreciation	1,705,088	1,158,796
Interest paid	383,786	-
Interest Received	(6,980,476)	(21,800,904)
Dividend Received	(1,020,069)	(1,135,759)
Assets written off	150,104	-
Provision for Slow Moving Stock	67,834	-
(profit)/loss on sale of Assets	-	(676,470)
(profit)/loss on sale of Investments	6,085,316	(84,215)
Sundry Balances Written Back (Net)	(471,988)	-
	(80,405)	(22,538,552)
Operating Profit Before Working Capital changes	31,673,951	38,855,353
Adjustments for :		
Trade & Other Receivables	(15,554,002)	(1,414,000)
Inventories	(20,385,074)	(2,783,000)
Trade Payables	12,794,573	(819,000)
	(23,144,503)	(5,016,000)
Cash Generated from Operations	8,529,448	33,839,353
Direct Taxes	(12,500,000)	(20,269,058)
Net cash used in Operating Activities	(3,970,552)	13,570,295
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net off Assets written off)	(32,233,758)	(1,325,000)
Sale of Fixed Assets	-	1,487,000
Sale of Investments	5,805,664	-
Purchases of Investment	(21,109,436)	(81,700,000)
Capital Advances	(10,116,608)	-
Interest Received	6,980,476	21,800,904
Dividend Received	1,020,069	1,135,759
Net cash from Investment Activities	(49,653,593)	(58,601,337)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowing (Net)	15,345,154	-
Dividend Paid	(16,711,754)	(16,711,754)
Interest paid	(383,786)	-
Net Cash from Financing Activities	(1,750,386)	(16,711,754)
Net Increase / (Decrease) In Cash and Cash Equivalent	(55,374,531)	(61,742,796)
Cash & Cash Equivalents :		
Opening Cash & Bank Balances	140,119,489	201,862,285
Closing Cash & Bank Balances	84,744,958	140,119,489*

*Excludes Rs. 3,361,466/- on account of Unclaimed Amount of Scheme of Arrangement and Unclaimed Dividend.

As per our report of even date attached

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

On behalf of the Board of Directors

(Dilip P. Joshi)
Partner
M. No. 17440
Place : Pune
Date : 28.05.2010

Pranav V. Deshpande
Head – Finance

Prajakta V. Gokhale
Company Secretary

Jeetendra M. Shende
Executive Director

Nihal G. Kulkarni
Vice -Chairman

Place : Pune
Date : 28.05.2010

SCHEDULE "Q" : SCHEDULE OF NOTES FORMING PART OF ACCOUNTS**I. SIGNIFICANT ACCOUNTING POLICIES:****1. Method of Accounting :**

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

2. Use of Estimates :

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

3. Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation or amortization. Cost is inclusive of freight, duties, taxes (to the extent of credit not availed) and incidental expenses related to acquisition, installation, erection and commissioning. Financing cost relating to acquisition of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. Goodwill is stated at a nominal value of Re. 1/-

4. Depreciation and Amortization:

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

5. Investments:

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

6. Inventories:

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

7. Foreign Currency Transactions:

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

8. Research and Development Expenses :

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

9. Revenue Recognition:

- a) Sales are accounted for net of Central Sales Tax and Value Added Tax.
- b) Revenue from sale is recognized when the significant risks and rewards of ownership of goods have been passed to customers, which generally coincides with their removal from factory.
- c) Revenue from erection and commissioning services is recognized on percentage completion method.
- d) Interest income is recognized on accrual basis at applicable interest rate.
- e) Dividend income is recognized when the Company's right to receive dividend is established.

10. Warranty Costs:

Warranty obligations are accounted for as and when claims are admitted.

11. Employee Benefits:

- a) Short Term Employee Benefits :

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

b) Post-Employment Benefits:

i. Defined Contribution Plans:

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

ii. Defined Benefit Plans:

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

c) Long Term Employee Benefits:

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

12. Provision for Current and Deferred Tax:

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

13. Borrowing Cost:

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

14. Impairment of Assets:

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

15. Provisions, Contingent Liabilities and Contingent Assets:

- i. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:
 - a. The Company has a present obligation as a result of past event,
 - b. The probable outflow of resources is expected to settle the obligation, and
 - c. The amount of obligation can be reliably estimated.
- ii. Contingent liabilities are disclosed in the case of:
 - a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - b. A possible obligation unless the probability of outflow of resources is remote.
- iii. Contingent Assets are neither recognized nor disclosed.

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

16. Change in accounting policy related to Warranty:

During the year, the Company has changed the accounting policy in respect of warranty. No provision for warranty expenses is made in the books from current year onwards.

In earlier years, the Company was periodically assessing and providing for the estimated liability on sale of its products, based on past performance of such products.

Due to this change, Rs. 1.50 Lacs has been written back in the current year, which was appearing as Provision for Warranty in the books for previous years. The Company has incurred Rs.9.70 Lacs as warranty expenses in the current year.

II. NOTES FORMING PART OF ACCOUNTS:**1. Details of Subsidiary Company**

Name of the Company	Country of Incorporation	% of voting power	Financial year
G. G. Dandekar Investments Pte. Ltd.	Singapore	100.00%	01 April to 31 March

2. Contingent Liabilities not provided for:

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
A	Disputed Income Tax Liability (Assessment Year 2005-2006)	39,434,222	39,434,222
B.	Disputed Sales Tax Liability (Financial Year 2007-2008)	178,345	Nil

C. The Company had sold some of its Land in 2006 – 07. Out of the said property, there is dispute regarding Plot No. 62. The decision is pending from the Special Suit before the Civil Judge Sr. Division, Thane. If the outcome of the decision is against the Vendor, the sale stands cancelled and Company stands to indemnify the vendor for the cost, loss and damages, except taxes, if any. The Company has not provided against this contingent liability and will meet the liability, as and when it arises.

3. Out of the secured loans:

- Loans and Advances on Cash Credit Account of Rs.1.32 Crores (Previous year Nil) from banks are secured by hypothecation of inventory and book debts.
 - Term Loan from Bank amounting to Rs. 4.09 Lacs (Previous year Nil) is secured by hypothecation of vehicles purchased out of the said term loan.
 - Out of the total Secured Term Loans, an amount payable within next twelve months is Rs. 1,71,360/- (Previous year Nil)
- During the Current year, Company has entered into a Memorandum of Understanding (MOU) for sale of land (Plot No. 125). Total consideration for the said contract is Rs. 2 Crores. The Company has already received from parties Rs. 5.51 Lacs as ' Advance for Sale of Land'. As per the terms, the Company has recognized Rs. 10 Lacs as income for the Current year, as the purchaser have not executed the sale deed for the said plot within stipulated period as mentioned in MOU.
 - The Company is in communication with its suppliers to ascertain the applicability of the provisions of "The Micro, Small and medium Enterprises Development Act, 2006". As on the date of this Balance Sheet, the Company has not received any communication from any of its suppliers regarding filling of necessary memorandum with the appointed authority. In view of this, information as required under Section 22 of the said Act is not given.
 - The Company has single product, namely "Food Processing Machinery". Consequently, there are no Reportable Segments of the Company as per the Accounting Standard (AS) 17- "Segment Reporting" as prescribed by Companies' (Accounting Standards) Amendment Rules, 2007.
 - 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 accounts.
 - Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advances Rs.0.90 Crores) – Rs.4.74 Crores. (Previous year Nil).
 - Details of Prior Period Expenses are as follows :

(Rs. in Lacs)

Expense Head	Amount For the Current Year	Amount For the Previous Year
Professional Fees	3.48	-
Travelling	2.65	-
Postage, Telephone & Courier	1.20	-
Housing Expenses	0.92	-
Others	0.64	0.33
Canteen Expenses	0.50	-
TOTAL	9.39	0.33

G. G. DANDEKAR MACHINE WORKS LIMITED

10. As required by Accounting Standard (AS 22) " Taxes on income issued by The Institute of Chartered Accountants of India, which is mandatory in nature, the Company has recognized deferred taxes, which result from timing differences between book profits and tax profits for the year aggregating Rs 20,94,904/- has been charged in the Profit and Loss Account, the details of which are as under :

(Amount in Rs.)

Particulars	Balance Carried on 1.4.2009	Arising During the year	Balance carried as at 31.3.2010
Deferred Tax Assets			
Expenses inadmissible under respective sections of Income Tax Act, 1961	(12,08,589)	12,08,589	
Disallowance under Section 43B of Income Tax Act		(82,106)	(82,106)
Total	(12,08,589)	11,26,483	(82,106)
Deferred Tax Liabilities			
On account of timing differences in Depreciation	1,01,396	(1,01,396) 10,69,817	10,69,817
Total	1,01,396	9,68,421	10,69,817
Grand Total	(11,07,193)	20,94,904	9,87,711

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

- 1) Key Management Personnel :
Jeetendra M Shende- Executive Director
Relatives of Key Management Personnel :
Wife – Nilima J. Shende
Son – Shantanu J. Shende
- 2) Enterprise in which Directors are interested:
Kirloskar Consultants Limited
- 3) Subsidiary Company : G.G. Dandekar Investments Pte. Ltd.

Details of transactions during the year with Related Parties

(Rs. in Lacs)

Sr. No.	Particulars	Key Management Personnel	Enterprise in which Directors are interested	Subsidiary Company
1	Purchase of Services	NIL	24.15	NIL
2	Managerial Remuneration	13.80	NIL	NIL
3	Outstanding Balances included in:			
	Commission payable	2.90	NIL	NIL
	Sundry Creditors	NIL	4.87	NIL
	Loans & Advances	NIL	NIL	11.10

12. Define Benefit Plans for Employees (AS 15)

A) As per actuarial valuation as on 31 March, 2010 and recognised in financial statements in respect of Gratuity Schemes :

Sr. No.	Particulars	Rs.
i	Components of Employer expenses	
a	Current service cost	725,200
b	Interest Cost	1,223,262
c	Expected Return on Plan Assets	(954,973)
d	Actuarial (Gain) / Loss	462,676
e	Total Expense recognised in the Profit and Loss Account	909,863
ii	Net Assets / (Liability) recognised in Balance Sheet as at 31 March 2010	
a	Present Value of Obligation	16,632,806
b	Fair Value of Plan Assets	10,531,959
c	(Asset) / Liability recognised in the Balance Sheet	6,100,847
iii	Change in Gratuity Obligation during the year	
a	Present Value of Obligation as at 31 March 2009	16,333,538
b	Current Service Cost	725,200
c	Interest Cost	1,223,262
d	Actuarial (Gain) / Loss	436,336
e	Benefit Paid	(2,085,530)
f	Present Value of Obligation as at 31 March 2010	16,632,806
iv	Changes in Fair value of Plan Assets	
a	Present Value of Plan Assets as at 31 March 2009	11,044,742
b	Expected Return on Plan Assets	954,973
c	Actual Company Contribution	644,114
d	Benefits Paid	(2,085,530)
e	Actuarial (Gain) / Loss	26,340
f	Present Value of Obligation as at 31 March 2010	10,531,959
v	Actuarial Assumption	
a	Discount Rate	8.20%
b	Expected Rate of Return	5.00%
c	Rate of Return on Plan Assets	9.25%
d	Expected Average remaining working lives of employees (Years)	9.91

B) As per actuarial valuation as on 31 March, 2010 and recognized in financial statements in respect of Leave Wages :

Sr. No	Particulars	Amount (Rs.)
1	Present Value of obligation	2,135,293
2	Fair Value of Plan Assets	Nil
3	(Asset) / Liability recognised in the Balance Sheet	2,135,293

13. Other Details

a) Details of Raw Materials and Stores Consumed

(Amount in Rs.)

Sr. No.	Particulars	Quantity	Current Year	Previous Year
i.	Iron and Steel Materials	274.91 m.tonnes	3,81,14,643	1,73,52,641
ii.	Wood	17037 m.tonnes.	38,47,414	20,35,265
iii.	Ball Bearing	7000 nos.	28,94,814	22,24,354
iv.	Electric Motors and Spares	744 nos	66,00,930	58,66,454
v.	Bought Out Finished Goods	1323 m.tonnes	3,47,86,508	2,98,35,750
vi.	Others		1,47,68,514	1,44,18,384
vii.	Stores	1301080 nos.	69,31,338	39,30,310
	Total		10,79,44,163	7,56,63,158

Note : Quantities are not indicated for previous year, as units of accounting are different for material grouped under each class.

b) Stock of Finished goods

	Rice Mills (Nos.)	
	Current Year	Previous Year
Opening Stock of goods Produced as on 01.04.2009	0	0
Closing Stock of goods produced as on 31.03.2010	0	0

c) Details of Licensed Capacity and Actual Production :

Sr. No.	Particulars	Capacity in Nos.		Actual Production Nos.	
		Licensed Capacity	Installed Capacity	Current Year	Previous Year
1	Rice Mills	240	240	10	10
2	Modern Precleaners, Loose Machine and R.R. Shellers	800	800	526	445

d) Value of Import (CIF Basis)

(Amount in Rs.)

	Current Year	Previous Year
Raw Material	172,71,906	47,98,367

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

(Amount in Rs.)

		Current Year	Previous Year
i)	Commission to Sales Agents	---	4,50,794
ii)	Seminar Expenses	73,192	----

f) Value of Material Consumed

(Amount in Rs.)

Sr. No	Particulars	Current Year	Previous Year
i	Value of Imported Materials Consumed (including purchased locally)	1,72,71,906	47,98,367
ii	Value of Indigenous Materials Consumed	9,06,72,257	7,08,64,791
iii	Percentage of Imported Materials consumed to total consumption	16.00%	06.34%
iv	Percentage of Indigenous Materials consumed to total consumption	84.00%	93.66%

g) Foreign Currency Income

(Amount in Rs.)

Particulars	Current Year	Previous Year
Value of Exports on Free on Board Basis	Nil	1,63,32,036

h) Details of Turnover

(Amount in Rs.)

Particulars	Current Year			Previous Year		
	Qty	Unit	Sales Value	Qty	Unit	Sales Value
Rice Mill Machinery (Complete)	10	Nos.	4,90,44,444	10	Nos.	4,59,41,755
Loose Machinery and Spares	478	Nos.	14,35,17,702	445	Nos.	12,67,05,244

14. Earnings Per Share (EPS)

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

Particulars	Current Year	Previous Year
Profit After Tax (Rs.)	16,659,452	40,862,509
Weighted average number of Equity shares of Re. 1 each	4,761,387	4,761,387
Basic & Diluted EPS (Rs.)	3.50	8.58

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

On behalf of the Board of Directors

Pranav V. Deshpande
Head – Finance

Prajakta V. Gokhale
Company Secretary

Jeetendra M. Shende
Executive Director

Nihal G. Kulkarni
Vice -Chairman

G. G. DANDEKAR MACHINE WORKS LIMITED

Balance Sheet Abstract and Company's General Business Profile pursuant to Part IV of Schedule VI to the Companies Act, 1956. :

1. Registration Details :	
Registration No.	2869
State Code	11
Balance Sheet Date	31.03.2010
2. Capital raised during the year : (Amount in Rupees Lacs)	
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placements	Nil
3. Position of mobilisation and deployment of funds : (Amount in Rupees Thousand)	
Total Liabilities	323,443.04
Total Assets	323,443.04
Source of Funds :	
Paid up Capital	4,761.39
Share Money Pending Allotment	Nil
Reserves & Surplus	302,266.69
Secured Loans	13,645.23
Unsecured Loans	1,699.92
Deffered Tax Liability	1,069.81
Application of Funds :	
Net Fixed Assets	44,808.36
Investments	151,397.31
Net Current Assets	127,155.26
Deffered Tax Asset	82.10
4. Performance of Company (Amount in Rupees Thousand)	
Turnover (Sale of Products and Other Income)	219,955.215
Total Expenditure	188,200.859
Profit/(Loss) before Tax	31,754.36
Profit/(Loss) after Tax	16,659.45
Earnings per share (Rs.)	3.50
Dividend Rate (%)	300%
5. Products of the Company : Post Harvest Grain Processing Equipments	
1. Paddy Cleaning, Processing and Rice Milling Machinery and Grading Equipment	
2. Dal Mill	

- Notes :** 1) The above particulars should be read along with the Balance Sheet as at 31st March 2010, the Profit and Loss Account for the year ended on the date and the schedule forming part thereof.
2) Total Liabilities also include share capital Rs. 47.61 lacs and Reserve & Surplus Rs. 3,022.66 lacs.

As per our Report of even date

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

On behalf of the Board of Directors

(Dilip P. Joshi)
Partner
M. No. 17440
Place : Pune
Date : 28.05.2010

Pranav V. Deshpande
Head – Finance

Prajakta V. Gokhale
Company Secretary

Jeetendra M. Shende
Executive Director

Nihal G. Kulkarni
Vice -Chairman

Place : Pune
Date : 28.05.2010

Auditor's Report on Consolidated Financial Statements.

The Members

G. G. Dandekar Machine Works Ltd.
Bhiwandi, Maharashtra.

1. We have audited the attached Consolidated Balance Sheet of M/s G. G. Dandekar Machine Works Ltd., as at 31 March 2010, the Consolidated Profit and Loss account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principle used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of the Company for the year ended 31 March 2009, were audited by other independent accountants whose report dated 8 June 2009, expressed a qualified opinion on those statements. The balances as on 31 March 2009, have been considered as opening balances for the purpose of these financial statements.
4. We did not audit the financial statements of subsidiaries, whose financial statements reflect total Assets (Net) of Rs. 633.22/- lacs as at 31 March 2010, total revenues of Rs. 1.08/- lacs and net cash utilised amounting to Rs. 5.72/- lacs for the year ended on that date. These financial statements have been audited by other auditor whose report has been furnished to us and our opinion, insofar as they relate to amounts included in respect of this subsidiary is based solely on the report of the other auditor.
5. We report that the Consolidated Financial Statements have been prepared by the management of G.G. Dandekar Machine Works Limited in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements.
6. Based on our audit and on consideration of the reports of other auditor on separate financial statements and other financial information of the components, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet of the state of affairs of the Company as at 31 March 2010;
 - (b) in the case of the Consolidated Profit and Loss account, of the profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Pune
Date : 28.05.2010

For **Joshi & Kulkarni**,
Chartered Accountants,
Firm Regn No. 115751W

(Dilip P. Joshi)
Partner
M. No. 017440

G. G. DANDEKAR MACHINE WORKS LIMITED**G. G. DANDEKAR MACHINE WORKS LTD.
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

			Amount in Rupees	
	Sch.	Details	As on 31.03.2010	As on 31.03.2009
SOURCES OF FUNDS:				
1 SHAREHOLDERS FUNDS:				
a)	A	Share Capital	4,761,387	4,761,387
b)	B	Reserves & Surplus	295,177,654	302,131,828
			299,939,041	306,893,215
2 LOAN FUNDS:				
a)	C	Secured Loans	13,645,232	-
b)	D	Unsecured Loans	1,699,922	-
			15,345,154	-
3 DEFERRED TAX LIABILITY (Refer Note No.9)				
			1,069,817	101,396
TOTAL FUNDS EMPLOYED			316,354,012	306,994,611
APPLICATION OF FUNDS:				
1 FIXED ASSETS				
		E		
Gross Block			51,920,382	20,930,685
Less:-Accumulated Depreciation & Amortisation			17,228,631	16,467,396
Net Block			34,691,751	4,463,289
Capital Work in Progress (Including Capital Advance)			10,116,608	-
			44,808,359	4,463,289
2 INVESTMENTS				
			142,834,424	140,056,883
3 DEFERRED TAX ASSET				
			82,106	1,208,589
4 A] CURRENT ASSETS, LOANS & ADVANCES				
		G		
a.		Inventories	47,028,595	26,711,355
b.		Sundry Debtors	5,394,452	3,866,196
c.		Cash and Bank Balances	86,971,034	146,279,157
d.		Other Current Assets	2,527,251	1,677,954
e.		Loans & Advances	35,027,544	21,727,924
			176,948,876	200,262,586
B] Less: CURRENT LIABILITIES & PROVISIONS				
		H		
a.		Current Liabilities	23,427,031	14,290,400
b.		Provisions	24,892,722	24,706,336
			48,319,753	38,996,736
NET CURRENT ASSETS			128,629,123	161,265,850
TOTAL FUNDS APPLIED			316,354,012	306,994,611
Schedule of Notes to Accounts		Q		
Schedules A to Q form an integral part of the Consolidated financial statements				

As per our report of even date attached

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

On behalf of the Board of Directors

(Dilip P. Joshi)
Partner
M. No. 17440
Place : Pune
Date : 28.05.2010

Pranav V. Deshpande
Head – Finance

Prajakta V. Gokhale
Company Secretary

Jeetendra M. Shende
Executive Director

Nihal G. Kulkarni
Vice -Chairman

Place : Pune
Date : 28.05.2010

G.G.DANDEKAR MACHINE WORKS LTD.
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

		Amount in Rupees	
	Sch.	Current Year	Previous Year
INCOME			
Sales (Net of taxes)		192,562,146	172,647,000
Other Income	I	9,878,230	24,224,199
Increase/(decrease) in Work-in-progress & Finished Goods	J	17,514,839	420,544
TOTAL		219,955,215	197,291,743
EXPENDITURE			
Consumption & Direct Expenses	K	111,443,506	78,508,816
Payment to Employees	L	35,344,687	33,077,668
Interest and Financial Charges	M	565,502	115,804
Selling and Distribution Expenses	N	9,735,340	6,813,479
General Expenses	O	28,662,166	16,322,051
Depreciation & Amortization	E	1,705,088	1,158,796
TOTAL		187,456,290	135,996,614
Profit before Prior period adjustments		32,498,925	61,295,128
Less : Prior Period Adjustments (Also Refer Note No. 8)		938,890	33,205
Profit before tax		31,560,035	61,261,923
Less: Provision for tax		13,000,000	20,000,000
Provision for deferred tax		2,094,904	101,396
Provision for Fringe Benefit Tax		0	430,000
Profit After Tax		16,465,131	40,730,527
Balance carried forward from last year		210,370,857	191,121,142
Profit available for Appropriation		226,835,989	231,851,669
Short provision for Income Tax for earlier years		0	269,058
Proposed Dividend		14,284,161	14,284,161
Corporate Dividend Tax on Dividend		2,372,421	2,427,593
Transfer to General Reserve		2,000,000	4,500,000
Balance carried to Balance Sheet		208,179,407	210,370,857
Basic & Diluted Earning Per Share (Rs.)		3.46	8.55
[Equity shares of Re. 1/- each]			
Weighted average number of equity shares		4,761,387	4,761,387

Schedule of Notes to Accounts Q
Schedules A to Q form an integral part of the Consolidated financial statements

As per our report of even date attached

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

On behalf of the Board of Directors

(Dilip P. Joshi)
Partner
M. No. 17440
Place : Pune
Date : 28.05.2010

Pranav V. Deshpande
Head – Finance

Prajakta V. Gokhale
Company Secretary

Jeetendra M. Shende
Executive Director

Nihal G. Kulkarni
Vice -Chairman

Place : Pune
Date : 28.05.2010

G. G. DANDEKAR MACHINE WORKS LIMITED**SCHEDULES "A" TO "H" ANNEXED TO & FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2010**

	Amount in Rupees	
	As on 31.03.2010	As on 31.03.2009
SCHEDULE "A" SHARE CAPITAL		
AUTHORISED CAPITAL		
20,000,000 Equity Shares of Re.1/- each	20,000,000	20,000,000
(Previous Year 20,000,000 Equity Shares of Re.1/- each)		
ISSUED, SUBSCRIBED & PAID-UP CAPITAL :		
4,761,387 Equity Shares of Re.1/- each		
(Previous Year 4,761,387 Equity Shares of Re. 1/- each)	4,761,387	4,761,387
	4,761,387	4,761,387

Of the above Equity Shares:

- 1) 86,400 Equity Shares of Re.1/- each are allotted as fully paid up shares pursuant to vendor's contract.
- 2) 90,000 Equity Shares of Re. 1/- each have been issued to members as fully paid up Bonus Shares out of Capital Redemption Reserve without payment being received in cash.

	Amount in Rupees	
	As on 31.03.2010	As on 31.03.2009
SCHEDULE "B" RESERVES AND SURPLUS :		
GENERAL RESERVE		
Balance as per last Balance Sheet	91,760,971	87,260,971
Addition during the year	2,000,000	4,500,000
	93,760,971	91,760,971
Profit & Loss Account		
Balance as per annexed account	208,179,407	210,370,857
Foreign Currency Translation Reserve		
Balance as per last Balance Sheet	0	0
Addition during the year	(6,762,724)	0
	295,177,654	302,131,828

	Amount in Rupees	
	As on 31.03.2010	As on 31.03.2009
SCHEDULE "C" SECURED LOANS :		
LOANS and ADVANCES		
From Banks		
Cash Credit Account	13,236,050	0
Term Loan	409,182	0
(Refer Note No. 3 in Schedule "Q")		
	13,645,232	0

	Amount in Rupees	
	As on 31.03.2010	As on 31.03.2009
SCHEDULE "D" UNSECURED LOANS :		
OTHER LOANS AND ADVANCES		
From Banks	1,699,922	0
	1,699,922	0

SCHEDULE "E" FIXED ASSETS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK		DEPRECIATION / AMORTIZATION				NET BLOCK			
	As on 1.4.2009	Additions during the Year	Sold/Adj. during the Year	Total	Written off in Previous Years (till last year)	Adj. of Sales during the Year	Written off During the Year	Total	As on 31.3.2010	As on 31.3.2009
GOODWILL	1	0	0	1	0	0	0	0	1	1
FREEHOLD LAND	52,212	0	0	52,212	0	0	0	0	52,212	52,212
LEASEHOLD LAND	0	23,703,452	0	23,703,452	0	0	84,354	84,354	23,619,098	0
FACTORY BUILDING	2,363,700	190,970	0	2,554,670	2,336,921	0	57,553	2,394,474	160,196	26,779
OTHER BUILDING	1,794,229	15,000	0	1,809,229	1,090,660	0	10,898	1,101,558	707,671	703,569
PLANT & MACHINERY	7,966,016	3,610,113	0	11,576,129	7,690,639	0	419,340	8,109,979	3,466,150	275,377
PATTERNS, JIGS & MOULDS	0	493,487	0	493,487	0	0	60,382	60,382	433,105	0
COMPUTER MACHINERY	2,965,002	747,699	0	3,712,701	2,270,096	0	431,013	2,701,109	1,011,592	694,906
COMPUTER SOFTWARE	2,442,532	639,754	0	3,082,286	607,132	0	326,934	934,066	2,148,220	1,835,400
FURNITURE, FIXTURE & OFFICE EQUIPMENTS	2,253,036	966,070	0	3,219,106	1,528,095	0	169,286	1,697,381	1,521,725	724,941
VEHICLES*	1,093,957	1,717,109	1,093,957	1,717,109	943,853	943,853	145,328	145,328	1,571,781	150,104
TOTAL	20,930,685	32,083,654	1,093,957	51,920,382	16,467,396	943,853	1,705,088	17,228,631	34,691,751	4,463,289
Previous Year	21,807,365	1,320,646	2,197,326	20,930,685	16,862,220	1,553,620	1,158,796	16,467,396	4,463,289	4,945,145
Capital Work-In-Progress**									10,116,608	0

*Rs. 150,104 has been written off in the Current year.

** Capital Work-In-Progress is inclusive of Capital advance of Rs.7,000,000/- (Previous Year – Nil)

G. G. DANDEKAR MACHINE WORKS LIMITED

SCHEDULE " F" - INVESTMENT - LONG TERM -AT COST : TRADE & UNQUOTED	Amount in Rupees	
	As on 31.03.2010	As on 31.03.2009
2 shares of Rs. 50/- each fully paid up of Maharashtra State Co-op Bank Ltd.	121	121
1000 Shares of Rs. 10/- each fully paid up of The Saraswat Co.op Bank Ltd.	10,000	10,000
5 shares of Rs. 1000/- each fully paid up of The Engineering Raw Mat. Cons. Corp. Ltd.	5,000	5,000
	I	<u>15,121</u>
IN GOVERNMENT OR TRUST SECURITIES (Unquoted)		
UTI 6.75% Tax free Bonds (285 Units of Rs.100/- each)	28,500	28,500
Rural Electrification Corporation Bonds (5000 units of Rs.1,000/- each)	0	5,000,000
	II	<u>28,500</u>
INVESTMENT BY SUBSIDIARY COMPANY		
EQUITY SHARES - FULLY PAID (UNQUOTED)		
Rund Stahl Bau, Sweden	61,847,970	68,315,170
	III	<u>61,847,970</u>
In fully paid Equity Shares NON - TRADE & QUOTED		
Subex Ltd. (12,000 equity shares of Rs.5/- each fully paid)	0	6,654,695
Nucleus Software Ltd. (29,500 (Previous year 24,000) equity shares of Rs.10/- each fully paid) (Market Value Rs.4,060,675/-)	11,344,866	10,770,204
Bharat Bijlee Ltd. (4,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.3,269,400/-)	3,321,512	0
Indraprastha Gas Ltd. (70,000 (Previous year 40,000) equity shares of Rs.10/- each fully paid) (Market Value Rs.15,221,500/-)	8,218,045	4,024,029
Gujarath Gas Company Ltd. (30,000 (Previous year 15,000) equity shares of Rs.2/- each fully paid) (Market Value Rs. 8,526,000/-)	3,959,883	3,959,883
GAIL India Ltd. (15,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.6,147,000/-)	4,223,939	4,223,939

Continued...

NON - TRADE & QUOTED continued**Amount in Rupees**

Marico Ltd. (30,000 equity shares of Re.1/- each fully paid) (Market Value Rs. 3,256,500/-)	1,812,062	1,812,062
NIIT Technologies Ltd. (10,150 equity shares of Rs.10/- each fully paid) (Market Value Rs. 1,728,037.50)	1,338,779	1,338,779
Container Corporation of India Ltd. (2,800 equity shares of Rs.10/- each fully paid) (Market Value Rs. 3,640,700/-)	1,984,727	1,984,727
Lakshmi Machine Works Ltd. (8,349 (Previous year 3,849) equity shares of Rs.10/- each fully paid) (Market Value Rs. 15,131,310.15)	6,174,211	884,077
Thermax Ltd. (9,422 equity shares of Rs. 2/- each fully paid) (Market Value Rs.6,417,324.20)	1,547,736	1,547,736
Crisil Ltd. (2,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.10,469,400/-)	5,029,303	5,029,303
ICRA Ltd. (8,607 equity shares of Rs.10/- each fully paid) (Market Value Rs.7,573,299.30)	3,888,064	3,888,064
Deccan Chronicle Holdings Ltd. (200 equity shares of Rs.2/- each fully paid) (Market Value Rs.30,830/-)	8,634	8,634
Savita Oil Technologies Ltd. (Previously known as Savita Chemical Limited) (6,353 equity shares of Rs.10/- each fully paid) (Market Value Rs.2,741,954.80)	1,017,283	0
Automotive Axles Ltd. (20,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.8,081,000/-)	2,829,963	0
Gruh Finance Ltd. (20,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.4,363,000/-)	3,881,866	0
IV	60,580,873	46,126,132
OTHER INVESTMENTS		
MUTUAL FUNDS - GROWTH SCHEME		
HDFC Floating Rate Income Fund - Growth (Market Value Rs.3,426,209/-)	2,500,000	2,500,000
UTI Treasury Advantage Fund (Market Value Rs.20,111,432/-)	17,861,960	17,861,960
MUTUAL FUNDS - DIVIDEND SCHEME		
UTI MNC Fund	0	210,000
V	20,361,960	20,571,960
TOTAL I + II + III + IV + V	142,834,424	140,056,883

(Amt. In Rs.)

Sr. No.	Particulars	As on March 31, 2010		As on March 31, 2009	
		Cost	Market Value	Cost	Market Value
1	Aggregate value of Non-Trade & Quoted Investments	80,942,833	124,195,572	66,698,092	52,799,133
2	Aggregate value of Trade & Unquoted Investments	61,891,591	-	73,358,791	-
	Total.....	142,834,424	124,195,572	140,056,883	52,799,133

G. G. DANDEKAR MACHINE WORKS LIMITED**SCHEDULE "G" CURRENT ASSETS, LOANS & ADVANCES**

Amount in Rupees

CURRENT ASSETS :

	As on 31.03.2010	As on 31.03.2009
--	-----------------------------	-----------------------------

INVENTORIES (valued at cost & certified by Management):

Stores & Accessories	1,000,019	1,000,019
Raw Materials (Net of provision for non - moving items)	14,755,741	13,747,536
Finished Goods	23,971,341	7,999,600
Work-in-progress	5,507,298	3,964,200
Stock in Transit	1,794,196	0
	47,028,595	26,711,355

SUNDRY DEBTORS :**(Unsecured and considered good)**

Debts Outstanding for a period exceeding six months	989,336	0
Other Debts	4,405,116	3,866,196
	5,394,452	3,866,196

CASH AND BANK BALANCES :

Cash in hand	70,446	4,522
Bank Balances with Scheduled Banks		
In Current Accounts	14,700,588	11,174,635
In Deposit Accounts	72,200,000	135,100,000
	86,971,034	146,279,157

OTHER CURRENT ASSETS

Income Accrued on Deposits	2,527,251	1,677,954
	2,527,251	1,677,954

LOANS AND ADVANCES :**(Unsecured and considered good)**

Advance-Recoverable in cash or in kind or for value to be received		
Advances to Suppliers	5,634,202	1,997,241
Advance for Expenses	2,477,852	683,191
Advance to Staff & Workers	516,513	277,266
Prepaid Expenses	513,742	597,783
Deposits	1,639,281	992,275
Advance Income Tax including Tax Deducted at Source (Net of Provision for Taxation)	5,979,903	2,299,229
Receivable Against Sale of Land	16,087,634	16,087,634
Other Receivable	1,599,285	0
Balances with other Tax authorities	579,132	1,894
	35,027,544	22,936,513

SCHEDULE "H" CURRENT LIABILITIES & PROVISIONS**CURRENT LIABILITIES :**

	Amount in Rupees	
	As on 31.03.2010	As on 31.03.2009
Sundry Creditors for :		
a) Goods Supplied	6,949,200	2,503,681
b) Other Expenses & Advances	6,585,979	3,844,318
Advances against Orders	5,985,197	4,300,000
Unclaimed amount of Scheme of Arrangement	0	1,870,715
Unclaimed Dividends	921,819	1,490,751
Directors' Commission Payable	503,487	280,935
Other Liabilities	2,481,350	0
	23,427,031	14,290,400
PROVISIONS :		
Gratuity	6,100,847	5,884,828
Leave Wages	2,135,293	2,109,754
Proposed Dividend	14,284,161	14,284,161
Tax on Proposed Dividend	2,372,421	2,427,593
	24,892,722	24,706,336

SCHEDULES "I" TO "P" & "Q" ANNEXED TO&FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED

	Amount in Rupees	
	Current Year	Previous Year
SCHEDULE "I" OTHER INCOME :		
Interest from Bank & Others	6,980,476	21,806,299
(Gross, TDS - Rs. 6,52,265/-, Previous Year Rs. 29,58,678/-)		
Income from Long Term Investment :		
Dividend from Non-Trade Investment	1,020,069	1,135,759
Miscellaneous Income	1,373,280	521,456
Profit on Sale of Fixed Asset	0	676,470
Profit on Sale of Long term Investment	0	84,215
Sundry Credit balances written back	504,405	0
	9,878,230	24,224,199

SCHEDULE "J" INCREASE/ (DECREASE) IN WORK IN PROGRESS & FINISHED GOODS:

OPENING STOCK :

	Amount in Rupees	
	Current Year	Previous Year
Finished Goods	7,999,600	8,202,197
Work-in-Progress	3,964,200	3,341,059
	11,963,800	11,543,256
Less : CLOSING STOCK :		
Finished Goods	23,971,341	7,999,600
Work-in-Progress	5,507,298	3,964,200
	29,478,639	11,963,800
INCREASE/ (DECREASE)	17,514,839	420,544

SCHEDULE "K" MATERIALS & DIRECT EXPENSES:

	Amount in Rupees	
	Current Year	Previous Year
RAW MATERIALS AND STORES CONSUMPTION :		
Opening Stock	14,771,006	12,385,270
Add : Purchases	108,928,917	78,048,895
	123,699,923	90,434,165
Less : Closing Stock	15,755,760	14,771,006
CONSUMPTION OF RAW MATERIALS AND STORES	107,944,163	75,663,158
OTHER DIRECT EXPENSES :		
Packing, Freight & Transport	1,690,474	1,499,653
Power & Fuel	1,808,869	1,346,004
	111,443,506	78,508,816

G. G. DANDEKAR MACHINE WORKS LIMITED

SCHEDULE "L" PAYMENTS TO EMPLOYEES :	Amount in Rupees	
	Current Year	Previous Year
Salaries, Wages, Bonus & Other Allowances	30,637,540	31,116,566
Staff Welfare Expenses	1,582,709	1,013,664
Gratuity	909,863	(1,387,559)
Contribution to Provident Fund & Other Funds	2,214,575	2,334,997
[including contribution of Rs. 7,31,048/- (Previous Year Rs. 4,61,952/-) towards Superannuation Fund.]		
	35,344,687	33,077,668

SCHEDULE "M" INTEREST AND FINANCIAL CHARGES :	Amount in Rupees	
	Current Year	Previous Year
Interest to Banks	384,447	0
Bank Commission & Charges	181,055	115,804
	565,502	115,804

SCHEDULE "N" SELLING AND DISTRIBUTION EXPENSES :	Amount in Rupees	
	Current Year	Previous Year
Commission on Sales	6,634,258	5,686,211
Warranty Expenses	970,207	0
Advertisement & Exhibition Expenses	575,840	880,888
Sales Promotion Expenses	1,555,035	246,381
	9,735,340	6,813,479

SCHEDULE "O" GENERAL EXPENDITURE :	Amount in Rupees	
	Current Year	Previous Year
Rent	1,240,246	472,875
Rates & Taxes	1,394,641	2,244,620
Insurance	556,118	955,981
Repairs to :		
Plant & Machinery	236,384	116,351
Building	296,373	208,645
Others	818,238	489,781
Audit Fees	148,997	110,000
Legal & Professional Fees	2,150,080	1,039,650
Research & Development	1,455,441	1,415,175
Directors' Commission (Schedule P)	503,487	280,935
Directors' Sitting Fees	260,000	190,000
Loss on sale of Long Term Investments	6,085,316	0
Traveling and Conveyance	5,181,499	3,873,102
House Keeping Expenses	1,282,232	989,721
Security Charges	2,412,374	1,519,806
Festival Celebration Expenses	412,619	39,937
Regional Office Expenses	463,516	230,829
Postage & Telephone	1,328,932	1,056,450
Annual Maintenance Charges	686,180	0
Foreign Exchange Losses (Net)	211,830	-220,784
Miscellaneous Expenses	1,131,820	1,253,248
Entertainment Expenses	223,323	88,935
Sundry debit balances written off	32,416	0
Assets written off	150,104	0
	28,662,166	16,355,257*

*Includes prior period expenses of Rs.33,205/- also, which is separately disclosed in Profit and Loss Account Statement

SCHEDULE "P" COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 198 AND 309(5) OF THE COMPANIES ACT, 1956.

	Amount in Rupees	
	Current Year	Previous Year
Profit before Tax as per Profit & Loss A/c	31,754,356	61,393,905
Add :		
Directors Remuneration	1,380,025	1,789,410
Director's Sitting Fees	260,000	190,000
Director's Commission	503,487	280,935
Loss on sale of Investment	6,085,316	0
Assets Written off	150,104	84,215
	40,133,288	59,049,345
Less:		
Profit on sale of Fixed Assets	-	676,470
Profit on sale of Long Tern Investment	-	84,215
	-	760,685
Net Profit as per Sections 349 & 350 of the Companies Act, 1956	40,133,288	58,288,660
Maximum Remuneration payable @ 5% (10% (for Previous Year)	2,006,664	5,828,866
Less: Remuneration Restricted to Rupees	2,005,551	1,789,410
Commission to Other Directors @ 1%	401,333	582,887
Restricted to Rs.	213,487	280,935

G. G. DANDEKAR MACHINE WORKS LIMITED**G G DANDEKAR MACHINE WORKS LIMITED****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010**

Particulars	Amount in Rupees	
	For the Year Ended on 31.03.10	For the Year Ended on 31.03.09
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation	31,560,035	61,261,923
Adjustments for :		
Depreciation	1,705,088	1,158,796
Interest paid	384,447	-
Interest Received	(6,980,476)	(21,805,299)
Dividend Received	(1,020,069)	(1,135,759)
Assets Written off	150,104	-
Provision for Slow Moving Stock	67,834	-
(profit)/loss on sale of Assets	-	(676,470)
(profit)/loss on sale of Investments	6,085,316	(84,215)
Sundry Balances Written Back (Net)	(471,988)	-
	(79,744)	(22,542,947)
Operating Profit Before Working Capital changes	31,480,291	38,718,976
Adjustments for :		
Trade & Other Receivables	(15,581,067)	(1,805,000)
Inventories	(20,385,074)	(2,783,000)
Trade Payables	12,739,141	(706,000)
	(23,227,000)	(5,294,000)
Cash Generated from Operations	8,253,291	33,424,976
Direct Taxes	(12,500,000)	(20,269,058)
Net cash used in Operating Activities	(4,246,709)	13,155,918
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net off assets written off)	(32,233,758)	(1,328,300)
Sale of Fixed Assets	-	1,484,000
Sale of Investments/ Fixed Deposits	12,272,864	-
Purchases of Investment	(21,109,436)	(78,485,516)
Capital Advances	(10,116,608)	-
Interest Received	6,980,476	21,805,299
Dividend Received	1,020,069	1,135,759
Net cash from Investment Activities	(43,186,393)	(55,388,758)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowing (Net)	15,345,154	-
Dividend Paid	(16,711,754)	(16,711,754)
Interest paid	(384,447)	-
Foreign Currency Translation Reserve	(6,762,724)	-
Net Cash from Financing Activities	(8,513,771)	(16,711,754)
Net Increase / (Decrease) In Cash and Cash Equivalent	(55,946,873)	(58,944,594)
Cash & Cash Equivalents :		
Opening Cash & Bank Balances	142,917,907	201,862,285
Closing Cash & Bank Balances	86,971,034	142,917,691*

*Excludes Rs. 3,361,466/- on account of Unclaimed Amount of Scheme of Arrangement and Unclaimed Dividend.

As per our report of even date attached

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

On behalf of the Board of Directors

(Dilip P. Joshi)
Partner
M. No. 17440
Place : Pune
Date : 28.05.2010

Pranav V. Deshpande
Head – Finance

Prajakta V. Gokhale
Company Secretary

Jeetendra M. Shende
Executive Director

Nihal G. Kulkarni
Vice -Chairman

Place : Pune
Date : 28.05.2010

SCHEDULE "Q" : SCHEDULE OF NOTES FORMING PART OF ACCOUNTS

- I. The Consolidated Financial Statements pertains to G.G. Dandekar Machine Works Limited and its overseas subsidiary, details of which are as under:

Name of the Subsidiary Company	Country of Incorporation	% voting power held as on 31 March 2010	% voting power held as on 31 March 2009
G.G. Dandekar Investments Pte. Ltd.	Singapore	100	100

II. SIGNIFICANT ACCOUNTING POLICIES:**1. Method of accounting :**

The financial statements of the Parent and its subsidiary have been prepared under historical cost convention on accrual basis and comply with applicable accounting standards.

2. Use of Estimates :

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

3. Principles of Consolidation :

The financial statements of the Parent and its subsidiary have been consolidated on a line – by – line basis by adding together the book value of like item of assets, liabilities, income and expenses, after eliminating intra group balances and unrealized profit/ losses on intra group transaction, and are presented to the extent possible, in the same manner as the Parent's independent financial statements.

4. Foreign Currency Translation :

Indian Rupee is the reporting currency for the Parent Company. However, the functional currency of foreign subsidiary is different from the reporting currency of the Parent Company. The foreign subsidiary has been reclassified as Non – Integral foreign operation according to Accounting Standard (AS) 11. Therefore, in this respect, all the assets and liabilities are translated using exchange rate prevailing at the Balance Sheet date and revenue, income and expenses are translated at exchange rates at the date of transactions. The resultant translation exchange gain/ loss have been disclosed as "Foreign Currency Translation Reserve" under Reserves & Surplus.

5. Functional Currency :

In case of Foreign Subsidiary, items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company ("the functional currency"). The financial statements of the Company are presented in Euro, which is also the functional currency of the Company.

6. Fixed Assets:

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

Goodwill is stated at a nominal value of Re. 1/-

7. Depreciation and Amortization:

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

8. Investments:

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

9. Inventories:

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

10. Foreign Currency Transactions:

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

11. Research and Development Expenses:

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

12. Revenue Recognition:

- a) Sales are accounted for net of Central Sales Tax and Value Added Tax.
- b) Revenue from sale is recognized when the significant risks and rewards of ownership of goods have been passed to customers, which generally coincides with their removal from factory.
- c) Revenue from erection and commissioning services is recognized on Percentage Completion method.
- d) Interest income is recognized on accrual basis at applicable interest rate.
- e) Dividend income is recognized when the Company's right to receive dividend is established.

13. Warranty Costs:

Warranty obligations are accounted for as and when claims are admitted.

14. Employee Benefits:

- a) Short Term Employee Benefits :

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

- b) Post-Employment Benefits:

- i. Defined Contribution Plans:

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

- ii. Defined Benefit Plans:

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

- c) Long Term Employee Benefits:

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

15. Provision for Current and Deferred Tax:

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

16. Borrowing Cost:

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

17. Impairment of Assets:

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

18. Provisions, Contingent Liabilities and Contingent Assets:

- i. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if :
 - a. The Company has a present obligation as a result of past event,
 - b. The probable outflow of resources is expected to settle the obligation, and
 - c. The amount of obligation can be reliably estimated.
 - ii. Contingent liabilities is disclosed in the case of:
 - a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - b. A possible obligation unless the probability of outflow of resources is remote.
 - iii. Contingent Assets are neither recognized nor disclosed.
- Provisions & Contingent Liabilities are disclosed after an evaluation of the facts and legal aspects and the amounts are reviewed at each balance sheet date

19. Change in accounting policy related to Warranty:

During the year, the Company has changed the accounting policy in respect of warranty. No provision for warranty expenses is made in the books from current year onwards.

In earlier years, the Company was periodically assessing and providing for the estimated liability on sale of its products, based on past performance of such products.

Due to this change, Rs.1.50 Lacs has been written back in the current year, which was appearing as Provision for Warranty in the books for previous years. The Company has incurred Rs.9.70 Lacs as warranty expenses in the current year.

III. NOTES FORMING PART OF ACCOUNTS:**1. Change in Classification of a foreign operation:**

Nature of the change in Classification	Reason for the change	Impact on Shareholders' funds	Impact on net profit or loss for each prior period had the change occurred at the beginning
In the current financial year, the foreign operation has been reclassified from Integral Foreign operation to Non – Integral Foreign operation.	The operation carried out by foreign subsidiary is not extension of the Parent's operations. Also, the cash flows of Parent Company are not directly affected by the operation of the Subsidiary Company.	There is impact on shareholders' funds to the extent of Foreign Currency Translation Reserve on account of change in classification.	On account of Foreign Currency Translation, Rs. 220,784/- (equivalent to SGD 34,505) were credited to Consolidated Profit & Loss A/c as recommended by AS 11.

2. The Subsidiary Company is domiciled in Singapore. The reporting currency for previous year was Singapore Dollars. However, in the current financial year, the financial statements of the subsidiary are reported in their Functional currency (Euro) as recommended under the Singapore Financial Reporting Standards. Previous year's figures have thus been restated in functional currency to make them comparable with those of the current year.

3. Contingent Liabilities not provided for:

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
A	Disputed Income Tax Liability (Assessment Year 2005-2006)	39,434,222	39,434,222
B.	Disputed Sales Tax Liability (Financial Year 2007-2008)	178,345	Nil

- C. The Company had sold some of its Land in 2006 – 07. Out of the said property, there is dispute regarding Plot No. 62. The decision is pending from the Special Suit before the Civil Judge Sr. Division, Thane. If the outcome of the decision is against the Vendor, the sale stands cancelled and Company stands to indemnify the vendor for the cost, loss and damages, except taxes, if any. The Company has not provided against this contingent liability and will meet the liability, as and when it arises.

G. G. DANDEKAR MACHINE WORKS LIMITED

4. Out of the secured loans:

- Loans and Advances on Cash Credit Account of Rs.1.32 Crores (Previous year Nil) from banks are secured by hypothecation of inventory and book debts.
- Term Loan from Bank amounting to Rs. 4.09 Lacs (Previous year Nil) is secured by hypothecation of vehicles purchased out of the said term loan.
- Out of the total Secured Term Loans, an amount payable within next twelve months is Rs. 1,71,360/- (Previous year Nil)

5. The Company is in communication with its suppliers to ascertain the applicability of the provisions of "The Micro, Small and medium Enterprises Development Act, 2006". As on the date of this Balance Sheet, the Company has not received any communication from any of its suppliers regarding filling of necessary memorandum with the appointed authority. In view of this, information as required under Section 22 of the said Act is not given.

6. The Company has single product, namely "Food Processing Machinery". Consequently, there are no Reportable Segments of the Company as per the Accounting Standard (AS) 17- "Segment Reporting" as prescribed by Companies' (Accounting Standards) Amendment Rules, 2007.

7. Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advances Rs.0.90 Crores) – Rs.4.74 Crores. (Previous year Nil).

8. Details of Prior Period Expenses are as follows :

(Rs. in Lacs)

Expense Head	Amount for the Current Year	Amount for the Previous Year
Professional Fees	3.48	-
Travelling	2.65	-
Postage, Telephone & Courier	1.20	-
Housing Expenses	0.92	-
Others	0.64	0.33
Canteen Expenses	0.50	-
TOTAL	9.39	0.33

9. As required by Accounting Standard (AS) 22 "Taxes on income" issued by The Institute of Chartered Accountants of India, which is mandatory in nature, the Company has recognized deferred taxes, which result from timing differences between book profits and tax profits for the year aggregating Rs 20,94,904/- has been charged in the Profit and Loss Account, the details of which are as under :

(Amount in Rs.)

Particulars	Balance Carried on 1.4.2009	Arising During the year	Balance carried as at 31.3.2010
Deferred Tax Assets			
Expenses inadmissible under respective sections of Income Tax Act, 1961	(12,08,589)	12,08,589	
Disallowance under Section 43B of Income Tax Act, 1961		(82,106)	(82,106)
Total	(12,08,589)	11,26,483	(82,106)
Deferred Tax Liabilities			
On account of timing differences in Depreciation	1,01,396	(1,01,396) 10,69,817	10,69,817
Total	1,01,396	9,68,421	10,69,817
Grand Total	(11,07,193)	20,94,904	9,87,711

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

1) Key Management Personnel :

Jeetendra M. Shende- Executive Director

Relatives of Key Management Personnel :

Wife – Nilima J. Shende

Son – Shantanu J. Shende

- 2) Enterprise in which Directors are interested:
Kirloskar Consultants Limited
- 3) Subsidiary Company : G.G. Dandekar Investments Pte. Limited
Details of transactions during the year with Related Parties

Amount (Rs. In lacs)

Sr. No.	Particulars	Key Management	Enterprise in which Directors are interested
1	Purchase of Services	NIL	24.15
2	Managerial Remuneration	13.80	NIL
3	Outstanding Balances included in :		
	a. Commission payable	2.90	NIL
	b. Sundry Creditors	NIL	4.87

11. Define Benefit Plans for Employees (AS 15)

A) As per actuarial valuation as on 31 March 2010 and recognised in financial statements in respect of Gratuity Schemes :

Sr. No	Particulars	Rs.
i	Components of Employer expenses	
a	Current service cost	725,200
b	Interest Cost	1,223,262
c	Expected Return on Plan Assets	(954,973)
d	Actuarial (Gain) / Loss	462,676
e	Total Expense recognised in the Profit and Loss Account	909,863
ii	Net Assets / (Liability) recognised in Balance Sheet as at 31 March 2010	
a	Present Value of Obligation	16,632,806
b	Fair Value of Plan Assets	10,531,959
c	(Asset) / Liability recognised in the Balance Sheet	6,100,847
iii	Change in Gratuity Obligation during the year	
a	Present Value of Obligation as at 31 March 2009	16,333,538
b	Current Service Cost	725,200
c	Interest Cost	1,223,262
d	Actuarial (Gain) / Loss	436,336
e	Benefit Paid	(2,085,530)
f	Present Value of Obligation as at 31 March 2010	16,632,806
iv	Changes in Fair value of Plan Assets	
a	Present Value of Plan Assets as at 31 March 2009	11,044,742
b	Expected Return on Plan Assets	954,973
c	Actual Company Contribution	644,114
d	Benefits Paid	(2,085,530)
e	Actuarial (Gain) / Loss	26,340
f	Present Value of Obligation as at 31 March 2010	10,531,959
v	Actuarial Assumption	
a	Discount Rate	8.20%
b	Expected Rate of Return	5.00%
c	Rate of Return on Plan Assets	9.25%
d	Expected Average remaining working lives of employees (Years)	9.91

G. G. DANDEKAR MACHINE WORKS LIMITED

B) As per actuarial valuation as on 31 March 2010 and recognized in financial statements in respect of Leave Wages :

Sr. No	Particulars	Amount (Rs.)
1	Present Value of obligation	2,135,293
2	Fair Value of Plan Assets	Nil
3	(Asset) / Liability recognised in the Balance Sheet	2,135,293

12. Earnings Per Share (EPS)

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Profit After Tax	16,465,131	40,730,527
Weighted average number of Equity shares of Re. 1 each	4,761,387	4,761,387
Basic & Diluted EPS (Rs.)	3.46	8.55

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

On behalf of the Board of Directors

Pranav V. Deshpande
Head – Finance

Prajakta V. Gokhale
Company Secretary

Jeetendra M. Shende
Executive Director

Nihal G. Kulkarni
Vice -Chairman

G. G. DANDEKAR INVESTMENTS PTE LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 200816708M)

DIRECTORS : Aditi Vishwanath Chirmule
Nihal Gautam Kulkarni
Jeetendra Manohar Shende
Catherine Dorothy Hanam

REGISTERED OFFICE : 9 Temasek Boulevard
#09-03 Suntec Tower Two
Singapore 038989

AUDITORS : G. S. Tan & Co.

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G.G. DANDEKAR INVESTMENTS PTE LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 200816708M)

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31st March 2010.

Directors

The directors of the Company in office at the date of this report are:-

Aditi Vishwanath Chirmule
Nihal Gautam Kulkarni
Catherine Dorothy Hanam
Jeetendra Manohar Shende (appointed 19.4.2010)

Arrangements to Enable Directors to Acquire Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Interests in Shares and Debentures

According to the register kept by the Company for the purpose of Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial year had interests in shares/debentures of the Company either at the beginning or at the end of the financial year.

Directors' Contractual Benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.


Options

There is presently no options scheme on unissued shares in the Company.

Auditors

G. S. Tan & Co., Certified Public Accountants, have expressed their willingness to accept re-appointment as auditors.

**Signed on behalf of the
Board of Directors**



**Aditi Chirmule
Director**



**Nihal Gautam Kulkarni
Director**

Singapore: 19th May 2010

G.G. DANDEKAR INVESTMENTS PTE LTD

STATEMENT BY DIRECTORS

In our opinion:-

- (a) the financial statements set out on pages 6 to 18 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and of the results of the business, changes in equity and cash flows of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**Signed on behalf of the
Board of Directors**



**Aditi Chirmule
Director**



**Nihal Gautam Kulkarni
Director**

Singapore: 19th May 2010



G. S. TAN & CO.
 Certified Public Accountants
 陳錦書會計公司

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

G.G. DANDEKAR INVESTMENTS PTE LTD

Report on the Financial Statements

We have audited the accompanying financial statements of the Company which comprise the statement of financial position of the Company as at 31st March 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

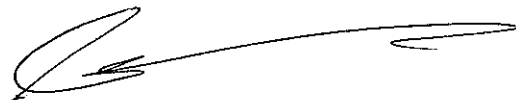
Opinion

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and the results, changes in equity and cash flows of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the carrying value ascribed to the unquoted investment at 31st March 2010, as set out in Note 3, amounting to Euro 1,020,762 which has been accounted for in accordance with the accounting policy set out in Note 3 to the financial statements. The valuation of the unquoted investment portfolio involves considerable subjective judgement, and is based on conditions prevailing and information available at the date of these financial statements. Due to the current global economic conditions, there may be uncertainties that may affect the valuation of this unquoted investment. The ultimate outcome of these uncertainties cannot presently be determined. The financial statements do not include adjustments that might result from these uncertainties. In preparing the financial statements, the Company has included the effects of the economic conditions to the extent that they can be currently determined and estimated.



**G. S. TAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS**

Singapore: 19th May 2010

G.G. DANDEKAR INVESTMENTS PTE LTD

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2010

	<u>Note</u>	<u>2010</u> Euro	<u>2009</u> Euro
NON-CURRENT ASSET			
Available-for-sale financial assets	3	1,020,762	1,020,762
CURRENT ASSETS			
Deposit & prepayment		6,903	5,672
Cash & cash equivalents		36,740	40,567
		43,643	46,239
TOTAL ASSETS		1,064,405	1,067,001
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital:			
Issued & fully paid 2,116,935 ordinary shares of no par value		1,053,306	1,053,306
Revenue reserves		(8,220)	(5,112)
TOTAL EQUITY		1,045,086	1,048,194
CURRENT LIABILITIES			
Accruals		958	1,642
Amount due to holding company	4	18,361	17,165
TOTAL LIABILITIES		19,319	18,807
TOTAL EQUITY AND LIABILITIES		1,064,405	1,067,001

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

G. G. DANDEKAR INVESTMENTS PTE LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2010

	<u>Note</u>	1.4.2009 to <u>31.3.2010</u> Euro	22.8.2008 to <u>31.3.2009</u> Euro
Other income		1,786	2
Interest income		--	77
Less: Administrative expenses		(4,884)	(5,191)
Loss from operations		<u>(3,098)</u>	<u>(5,112)</u>
Finance costs		(10)	--
Comprehensive income before taxation	5	<u>(3,108)</u>	<u>(5,112)</u>
Taxation		--	--
Comprehensive income for the year		<u><u>(3,108)</u></u>	<u><u>(5,112)</u></u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

G. G. DANDEKAR INVESTMENTS PTE LTD

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31ST MARCH 2010**

	<u>Share capital</u> Euro	<u>Accumulated loss</u> Euro	<u>Total equity</u> Euro
As at 22.8.2008 (date of incorporation)	1	--	1
- issue of shares	1,053,305	--	1,053,305
Net loss for the period	--	(5,112)	(5,112)
	-----	-----	-----
As at 31.3.2009	1,053,306	(5,112)	1,048,194
Comprehensive income for the year	--	(3,108)	(3,108)
	-----	-----	-----
As at 31.3.2010	<u>1,053,306</u>	<u>(8,220)</u>	<u>1,045,086</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

G. G. DANDEKAR INVESTMENTS PTE LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2010

	1.4.2009	22.8.2008
	to	to
	<u>31.3.2010</u>	<u>31.3.2009</u>
	Euro	Euro
Cash flows from operating activities		
Comprehensive income before taxation	(3,108)	(5,112)
Adjustments for:		
Interest received	--	(77)
Interest paid	10	--
	-----	-----
Operating loss before working capital changes	(3,098)	(5,189)
Debtors	(1,231)	(5,672)
Creditors	512	18,807
	-----	-----
Net cash flows (used in)/generated from operating activities	(3,817)	7,946
	-----	-----
Investing Activities		
Investment	--	(1,020,762)
Interest received	--	77
	-----	-----
Net cash flows used in investing activities	--	(1,020,685)
	-----	-----
Financing Activities		
Proceeds from issuance of shares	--	1,053,306
Interest paid	(10)	--
	-----	-----
Net cash flows (used in)/generated from financing activities	(10)	1,053,306
	-----	-----
Net increase in cash and cash equivalents/		
Net cash generated during the period	(3,827)	40,567
Cash and cash equivalents at beginning of the year	40,567	--
	-----	-----
Cash and cash equivalents at end of the year	36,740	40,567
	=====	=====

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

G. G. DANDEKAR INVESTMENTS PTE LTD

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2010

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. PRINCIPAL ACTIVITIES

G. G. Dandekar Investments Pte Ltd is domiciled and incorporated in Singapore with its principal place of business at 9 Temasek Boulevard, #09-03 Suntec Tower Two, Singapore 038989.

The principal activities of the Company are those relating to investment holding.

The Company regards G. G. Dandekar Machine Works Limited, incorporated in India, as its immediate and ultimate holding company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of Financial Statement Preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except for the following:

- Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through comprehensive income, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

2.2 Financial Instruments*(i) Non-derivative financial assets*

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: available-for-sale financial assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Company's investments in certain equity securities are classified as available-for-sale financial assets.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised in other comprehensive income and presented within equity in the fair value reserve.

When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to comprehensive income.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: other payables.

(iii) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Impairment

(i) *Financial assets (including receivables)*

A financial asset not carried at fair value through comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. Losses are recognised in comprehensive income and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through comprehensive income.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to comprehensive income. The cumulative loss that is removed from other comprehensive income and recognised in comprehensive income is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in comprehensive income. Changes in impairment attributable to time value are reflected as a component of finance income.

Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) *Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Impairment (continued)

(ii) Non-financial assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or CGU). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in comprehensive income. Impairment loss recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

(iii) Assets classified as held for sale

Assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in comprehensive income. Gains are not recognised in excess of any cumulative impairment loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign Currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respected functional currencies of Company entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

2.5 Other Receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances.

2.7 Liabilities

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.9 Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Income Taxes (continued)**

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.10 Functional Currency

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the company ("the functional currency"). The financial statements of the Company are presented in Euro, which is also the functional currency of the Company.

2.11 Revenue Recognition

Interest is accrued on a day to day basis.

3. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>2010</u> Euro	<u>2009</u> Euro
Unquoted equity shares at cost	1,020,762	1,020,762

The available-for-sale financial asset is measured at cost. This unlisted security is recorded at cost as there is no active market price, published price quotations or other sources available to determine reliable fair values for these securities and instruments. In particular, the estimated fair values cannot be made because of the significant variability in the range of reasonable fair value estimates or that the probabilities or the various estimates within the range cannot be reasonably assessed and used in estimating fair value of this available-for-sale security. Therefore, fair value information is not disclosed. This is a private equity-type investment where the Company intends to maximise the value through various available disposal options, such as private placements or public placements.

4. AMOUNT OWING TO HOLDING COMPANY

	<u>2010</u> Euro	<u>2009</u> Euro
Non-trade	18,361	17,165

5. COMPREHENSIVE INCOME BEFORE TAXATION

	1.4.2009 to <u>31.3.2010</u> Euro	22.8.2008 to <u>31.3.2009</u> Euro
This is stated after charging/(crediting):-		
Interest expense	10	--
Foreign exchange gain	(1,786)	(2)

6. FINANCIAL RISK MANAGEMENT

The financial risk management of the Company is managed by its directors who set the processes and policies of the Company. At the statement of financial position date, the Company does not have any significant credit, interest rate, foreign currency and liquidity risk exposure.

7. FAIR VALUES

The carrying amount of the Company's financial assets and liabilities approximate their fair values.

8. CHANGES IN ACCOUNTING POLICY

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2009, the Company adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 April 2009.

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 18 Revenue
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 102 Share-based Payment - Vesting Conditions and Cancellations
- Amendments to FRS 107 Financial Instruments : Disclosures
- FRS 108 Operating Segments
- Improvements to FRSs issued in 2008
- INT FRS 113 Customer Loyalty Programmes
- INT FRS 116 Hedges of Net Investment in a Foreign Operation
- Amendments to INT FRS 109 Reassessment of Embedded Derivatives and FRS 39 Financial Instruments: Recognition and Measurement - Embedded Derivatives
- INT FRS 118 Transfers of Assets from Customers

The adoption of such of these standards and interpretations as are applicable to the Company have no significant impact to the Company except for FRS 1 and FRS 107 as indicated below.

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements - Revised Presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Company has elected to present this statement as one single statement.

8. CHANGES IN ACCOUNTING POLICY (continued)*Amendments to FRS 107 Financial Instruments: Disclosures*

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurement is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures and liquidity risk disclosures are presented in Notes 7 and 6 to the financial statements respectively.

Improvements to FRSs issued in 2008

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company.

- FRS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with FRS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the statement of financial position. The Company amended its accounting policy accordingly and analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the statement of financial position.
- FRS 16, Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less cost to sell". The Company amended its accounting policy accordingly, which did not result in any change in the financial position.

9. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards and interpretations as are applicable to the Company that have been issued but not yet effective:

		Effective for annual periods beginning on or after
FRS 27	: Consolidated and Separate Financial Statements - Amendments Relating to Cost of an Investment in a Subsidiary, Jointly-controlled Entity or Associate	1 July 2009
FRS 39	: Financial Instruments: Recognition and Measurement - Amendments Relating to Eligible Hedged items	1 July 2009
FRS 101	: First-time Adoption of Financial Reporting Standards - Amendments Relating to Additional Exemptions for First-time Adopters	1 January 2010
FRS 102	: Share-based Payment - Amendments Relating to Group Cash-settled Share-based Payment Transactions	1 January 2010
FRS 103	: Business Combinations	1 July 2009

9. STANDARDS ISSUED BUT NOT YET EFFECTIVE

	Effective for annual periods beginning on or after
FRS 105 : Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
INT FRS 117 : Distributions of Non-cash Assets to Owners	1 July 2009
Improvements to FRSs issued in 2009:	
FRS 38 : Intangible Assets	1 July 2009
FRS 102 : Share-based Payment	1 July 2009
INT FRS 109 : Reassessment of Embedded Derivatives	1 July 2009
INT FRS 116 : Hedges of a Net Investment in a Foreign Operation	1 July 2009
FRS 1 : Presentation of Financial Statements	1 January 2010
FRS 7 : Statement of Cash Flows	1 January 2010
FRS 17 : Leases	1 January 2010
FRS 36 : Impairment of Assets	1 January 2010
FRS 39 : Financial Instruments: Recognition and Measurement	1 January 2010
FRS 105 : Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
FRS 108 : Operating Segments	1 January 2010

10. COMPARATIVE FIGURES

The comparative figures cover the Company's first set of financial statements for the period from 22nd August 2008 (date of incorporation) to 31st March 2009.

11. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31st March 2010 were authorised for issue in accordance with a resolution of the directors on

G. G. DANDEKAR INVESTMENTS PTE LTD

DETAILED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2010

	Euro
<u>Other income</u>	
Foreign exchange gain	1,786
<u>Less: Administrative expenses</u>	
Audit fee	639
Bank charges	224
General expenses	144
Professional fee	3,544
Postage, printing & stationery	221
Subscription	112
	4,884
<u>Finance costs</u>	
Interest expense	10
	(4,894)
	(3,108)
	(3,108)

This statement does not form part of the audited financial statements.

**Summarised Statement of Financials of Subsidiary Company pursuant to Section 212
of the Companies Act, 1956.**

Sr. No.	Particulars	G. G. Dandekar Investments Pte. Ltd. (Singapore)	
		Current Year	Previous Year
1	Capital (Rupees)	70,410,858	70,410,858
2	Reserves (Rupees)	(326,302)	(131,982)
3	Total Assets (Rupees)	64,492,360	71,504,620
4	Total Liabilities (Rupees)	64,492,360	71,504,620
5	Investments		
	(A) Long Term (Non-Trade Investments) (Rupees)	61,847,870	68,315,170
	(B) Current Investments (Rupees)	0	0
	a. Unquoted Equity Shares	0	0
	b. Quoted Equity Shares	0	0
	c. Units	0	0
	Total Current Investments	0	0
	Total Investments (A+B) (Rupees)	61,847,870	68,315,170
6	Turnover	0	0
7	Profit / (Loss) before Tax (Rupees)	(194,320)	(131,982)
8	Provision for Tax	0	0
9	Profit / (Loss) after Tax (Rupees)	(194,320)	(131,982)
10	Proposed Dividend (Excluding Tax on Dividend)	0	0
11	Functional Currency	EURO	SGD
12	Exchange Rate as on 31 st March	60.59	34.32

Statement pursuant to Section 212 of the Companies Act, 1956.

Sr. No.	Name of the Subsidiary	G. G. Dandekar Investments Pte. Ltd. (Singapore)
1	Financial year ending of the subsidiary	31 March 2010
2	Extent of the Interest of the Company in subsidiary at the end of the financial year of each -	
	(A) Face Value	SGD \$ 1
	(B) Number of Shares held by : (Nos.)	
	I) G G Dandekar Machine Works Ltd	2,116,935
	(C) Shareholding Percent	
	I) G G Dandekar Machine Works Ltd	100.00%
3	Functional Currency	EURO
4	For Financial Year of the Subsidiary	
	A) Net aggregate of Profits or Losses so far it concern the members of the Holding Company and death with in the books of account of the Holding Company.	NIL
	B) Net aggregate of Profits or Losses so far it concern the members of the Holding Company and not death with in the books of account of the Holding Company.	(194,320)
5	For Previous Financial Years of the Subsidiary	
	A) Net aggregate of Profits or Losses so far it concern the members of the Holding Company and death with in the books of account of the Holding Company.	NIL
	B) Net aggregate of Profits or Losses so far it concern the members of the Holding Company and not death with in the books of account of the Holding Company.	(131,982)

On behalf of the Board of Directors

Pranav V. Deshpande
Head – Finance

Prajakta V. Gokhale
Company Secretary

Jeetendra M. Shende
Executive Director

Nihal G. Kulkarni
Vice -Chairman

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G. G. DANDEKAR MACHINE WORKS LIMITED

Regd. Office : Dandekarwadi, Bhiwandi, 421 302, Dist. Thane (Maharashtra)

ATTENDANCE SLIP

Annual General Meeting on 12 August 2010 at 2.30 P.M.

Ledger Folio No. / DP Id and Client Id _____

Full Name of the Shareholder (in Capital) _____

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

I hereby record my presence at the Annual General Meeting of the Company at Dandekarwadi, Bhiwandi 421 302, Dist. Thane, on Thursday, 12 August 2010 at 2.30 P.M.

Shareholder's / Proxy's Signature _____

Proxy's full name (in Capital) _____

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



G G DANDEKAR MACHINE WORKS LIMITED

Regd. Office : Dandekarwadi, Bhiwandi, 421 302, Dist. Thane (Maharashtra)

PROXY FORM

I / We _____

L.F. No. / DP id and Client Id _____ of _____

being member / members of G G Dandekar Machine Works Limited do hereby appoint _____

_____ of _____ or failing him /her

_____ of

_____ as my

/ our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held at Dandekarwadi, Bhiwandi 421 302, Dist. Thane, on Thursday, 12 August 2010 at 2.30 P.M. and at any adjournment / (s) thereof.

In witness whereof, I / We have set my / our hand(s) on this _____ day of _____ 2010.

Please affix
One Rupee
Revenue
Stamp

(Signature of the member across the stamp)

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

