

15<sup>th</sup> November, 2017

To  
**Mr. Manish Raval**  
Assistant Manager,  
Listing Compliance  
BSE Limited  
Floor no.25, PJ Towers,  
Dalal Street,  
Mumbai – 400 001

**Sub:** Submission of Annual Report under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015  
**Ref:** Your e-mail dated 14<sup>th</sup> November, 2017  
**Stock Code:** 505250

Dear Sir,

With reference to your e-mail dated 14<sup>th</sup> November, 2017 for submission of Annual Report of our Company through Listing Centre portal of BSE, please find enclosed herewith Annual Report of the Company for FY 2016-17

You are requested to take the same on your record.

Thanking you,

Yours faithfully,  
For **G. G. DANDEKAR MACHINE WORKS LIMITED**



**Mr. Saurabh Somani**  
Company Secretary &  
Compliance Officer



CIN : L99999MH1938PLC002869

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

**DANDEKAR**<sup>TM</sup>

**Built to Last**

An ISO 9001 : 2008 Certified Company



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

78<sup>th</sup> Annual Report 2016-2017

Cover Back

**Annual Report for the year ended on 31<sup>st</sup> March 2017****BOARD OF DIRECTORS**

Mr. Nihal G. Kulkarni	Chairman (DIN: 01139147)
Mr. Mangesh S. Joshi	Executive Director (DIN: 07244555)
Mr. Madhav R. Chandrachud	Non-Executive Non-Independent Director (DIN: 06419028)
Mr. Rajesh D. Phadke	Non-Executive Independent Director (Audit Committee Chairman) (DIN: 02749329)
Mr. Saurabh B. Patwardhan	Non-Executive Independent Director (DIN: 03056479)
Mrs. Savita P. Sahasrabudhe	Non-Executive Independent Director (DIN: 06926402)

**COMPANY SECRETARY**

Mr. Saurabh S. Somani

**CHIEF FINANCIAL OFFICER**

Mr. Sanket S. Gunjekar

**STATUTORY AUDITORS**

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

**SECRETARIAL AUDITORS**

M/s. KANJ & Associates  
Company Secretaries, Pune

**BANKERS**

Punjab National Bank  
HDFC Bank

**REGISTRAR AND SHARE TRANSFER AGENT**

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

**REGISTERED OFFICE**

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

**LOCATION OF FACTORY**

Nagpur

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

Day and Date : Wednesday, 9<sup>th</sup> August, 2017  
Time : 11.00 a.m  
Venue : 211/A, MIDC, Butibori Industrial Area,  
Village Kinhi, Tal. Hingana Dist.  
Nagpur-441122

Date of Book Closure : 7<sup>th</sup> August 2017 to 9<sup>th</sup> August 2017

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# G. G. DANDEKAR MACHINE WORKS LIMITED

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## NOTICE

Notice is hereby given that the 78<sup>th</sup> Annual General Meeting of G. G. Dandekar Machine Works Limited will be held on Wednesday, 9<sup>th</sup> day of August, 2017 at 11:00 a.m. at 211/A, MIDC Butibori Industrial Area, Kinhi Village, Tah. Hingna, Dist. Nagpur - 441122, Maharashtra to transact the following business:

### **ORDINARY BUSINESS:**

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

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2017 and the Reports of the Board of Directors and Auditors thereon.

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

To appoint a director in place of Mr. Madhav R. Chandrachud (holding DIN No. 06419028) who retires by rotation and being eligible, offers himself for re-appointment.

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

To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“**RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 11<sup>th</sup> September, 2014, the appointment of M/s Joshi & Kulkarni, Chartered Accountants, Pune (Firm Reg. No. 115751W) as the Statutory Auditors of the Company to hold office till the conclusion of the 80<sup>th</sup> Annual General Meeting to be held in the calendar year 2019 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31<sup>st</sup> March, 2018 as may be determined by the audit committee in consultation with the auditors.”

**By Order of the Board of Directors**

**Sd/-**

**Saurabh S. Somani**  
Company Secretary  
A 30051

Place: Pune  
Date: 9<sup>th</sup> May, 2017

**NOTES:**

- i. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- ii. 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.  
  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- iii. The Statement setting out the material facts pursuant to Section 102 (1) of the Companies Act, 2013, ("the Act") in respect of Ordinary Business No. 2 to be transacted at this Annual General Meeting is annexed hereto.
- iv. Details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment / re-appointment at this Annual General Meeting forms part of the notice.
- v. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from 7<sup>th</sup> August, 2017 to 9<sup>th</sup> August, 2017 both days inclusive.
- vi. Pursuant to Section 125 of the Companies Act, 2013, 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 required to be transferred to the 'Investor Education and Protection Fund' set up by the Central Government. 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 2009-10 onwards, before the amount becomes due for transfer to the above Fund. Shareholders are requested to encash the dividend warrants immediately on their receipts by them.
- vii. Members are requested to inform change in address or bank mandate to their respective depository participants with whom they are maintaining their demat accounts and to the Registrar and Transfer Agent i.e., M/s Link Intime India Private Limited or the Company Secretary of the Company for the shares held in physical form by a written request duly signed by the member for receiving all communication in future.
- viii. 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.
- ix. 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.
- x. Members are requested to bring their attendance slip and copy of the Annual Report at the meeting.
- xi. Members are requested to register their e-mail addresses with Company / Registrar and Share Transfer Agent in case of holding of shares in physical form and with concerned Depository Participants in case of shares held in dematerialised form.
- xii. All documents referred to in the Notice or in the accompanying Explanatory Statement are available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10.00 a.m. to 12.00 noon, prior to the date of the Annual General Meeting and also available for inspection at the meeting.
- xiii. Pursuant to Section 72 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in Form No. SH – 13 in duplicate (which will be made available on request) to the Registrar and Transfer Agent of the Company.
- xiv. The Notice along with Annual Report will be sent electronically indicating the process and manner of E-voting to the members whose e-mail addresses are registered with the depository participants / Company. The physical copy of Notice along with Annual Report will be sent to those members whose email addresses are not registered with the depository participants / Company indicating the process and manner of E-voting.



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The members will be entitled to receive physical copy of Annual Reports for the financial year ended 31<sup>st</sup> March 2017, free of cost, upon sending a request to the Registrar and Transfer Agent or the Company Secretary of the Company. The Notice along with Annual Report will also be available on the Company's website [www.ggdandekar.com](http://www.ggdandekar.com)

xv. Voting through electronic means:-

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") is provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 6<sup>th</sup> August, 2017 (9:00 am) and ends on 8<sup>th</sup> August, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 2<sup>nd</sup> August, 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/ the R & T Agent viz. Link Intime India Private Limited / D-depository Participants(s)]:
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder –Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "G. G. Dandekar Machine Works Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [mahesh.athavale@kanjcs.com](mailto:mahesh.athavale@kanjcs.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ the R & T Agent viz. Link Intime India Private Limited / Depository Participants(s) or requesting physical copy]:

(I) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD / PIN

- (i) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up Equity share capital of the Company as on the cut-off date of 2<sup>nd</sup> August, 2017
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 2<sup>nd</sup> August, 2017 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Mahesh Athavale, Company Secretary in Practice, (Membership No. FCS 2412 CP No. 1488) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.ggdandekar.com](http://www.ggdandekar.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and National Stock Exchange of India Limited.
- XVII. For members who wish to vote through Ballot Forms
- The Ballot Form is provided for the benefit of shareholders, who do not have access to E-voting facility.
  - Pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, members who do not have access to E-voting facility, may exercise their right to vote on business to be transacted at the Annual general Meeting of the Company by submitting the Ballot form enclosed to this Notice.



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- iii. Shareholders may fill in the Ballot form enclosed with the Notice (no other form or photocopy of the form will be accepted) and send the same in a sealed envelope addressed to the Scrutinizer, viz. Mr. Mahesh Athawale, Practicing Company Secretary c/o Link Intime India Private Limited (Unit: G. G. Dandekar Machine Works Limited), Block No. 202, Akshay Complex, 2nd Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune 411 001, so as to reach by 5 p.m. on 8<sup>th</sup> August, 2017. The Ballot Form received thereafter will be strictly treated as not received.
- iv. A shareholder can opt only one mode of voting either through remote e-voting or by Poll or by the Ballot. If a shareholder casts votes by all modes, then voting done through E-voting shall prevail and the Ballot Form shall be treated as invalid.
- v. Please follow the instructions as mentioned in the Ballot Form.

**By Order of the Board of Directors**

**Sd/-**

**Saurabh S. Somani**  
Company Secretary  
A 30051

Place: Pune  
Date: 9<sup>th</sup> May, 2017

**ANNEXURE TO THE NOTICE**

As required by Section 102 (1) of the Companies Act, 2013 and pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following Statement sets out all material facts relating to Item No. 2 in the accompanying notice of 78<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 9<sup>th</sup> day of August, 2017 at 11.00 a.m. at 211/A, MIDC Butibori Industrial Area, Kinhi Village, Tah. Hingna, Dist. Nagpur -441122, Maharashtra.

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

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

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

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

He is not a Director in any other company. He does not hold any equity shares in the company.

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

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

**By Order of the Board of Directors**

**Sd/-**

**Saurabh S. Somani**  
Company Secretary  
A 30051

Place: Pune  
Date: 9<sup>th</sup> May, 2017

# G. G. DANDEKAR MACHINE WORKS LIMITED

## Directors' Report

To The Members,

### G. G. Dandekar Machine Works Limited

Your Directors have pleasure in presenting the 78<sup>th</sup> Annual Report with the Audited Annual Accounts of the Company for the financial year ended on 31<sup>st</sup> March 2017.

#### Financial Performance:

(Amount in `)

Particulars	2016-17	2015-16
Gross Income	128,346,104	129,285,471
Profit/(Loss) before interest and Depreciation	(9,350,937)	(24,748,374)
Less Finance Charges	2,706,853	2,413,148
Gross Profit/(Loss)	(12,057,789)	(27,161,522)
Less Provision for Depreciation	13,265,017	15,059,258
Net Profit/(Loss) before tax	(25,322,806)	(42,220,780)
Add/Less Exceptional Items	-	-
Profit/(Loss) before Extra-Ordinary Items	(25,322,806)	(42,220,780)
Add/(Less) Extra Ordinary Items	-	-
Profit/(Loss) before Taxes	(25,322,806)	(42,220,780)
Less Taxes	-	-
Add/Less Deferred Taxes	425,624	286,392
Add/Less Provisions for previous year's tax not provided for	-	(592,697)
Profit/(Loss) for the period from continuing operations	(25,748,430)	(41,914,475)
Profit/(Loss) from discontinuing operations	-	-
Less tax expenses from discontinuing operations	-	-
Net profit/(Loss)	(25,748,430)	(41,914,475)
Less Provision for Proposed Dividend and Dividend Tax	-	-
Net Profit/(Loss) carried forward to Balance-Sheet	(25,748,430)	(41,914,475)

#### DIVIDEND

Your Directors do not recommend any dividend for the financial year 2016-17.

#### MANAGEMENT DISCUSSION & ANALYSIS

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

##### (A) INDIAN ECONOMY

###### Light Engineering Industries:

The capital goods and engineering turnover in India is expected to reach INR 8101 billion by FY 2016-17. Cumulative FDI inflows increased to INR 1823 billion in FY 2016-17 from INR 575 billion in 2010. The government's increasing focus on attracting foreign investors in manufacturing and infrastructure is likely to boost FDI in the sector. With 100 per cent Foreign Direct Investment (FDI) allowed through the automatic route, and initiatives like 'Make in India', major international players have entered the Indian engineering sector due to significant growth opportunities available.

Indian capital goods manufacturers have been facing competition from foreign players; particularly European, Chinese and South East Asian manufacturers. Currently, despite increased domestic capacities, low cost foreign manufacturers offer tough competition to domestic manufactures in some segments of the industry.

The Indian Meteorological Department has predicted 'el nino' effect on southwest monsoon for 2017. Quantitatively, the monsoon seasonal rainfall is likely to be 90 to 96% of the long-period average (LPA). Anything between 96-104% of the LPA is considered 'normal'. Anything under 96% is considered 'below normal' and 104-110% of the LPA is 'above normal'. Last year, the IMD had made an initial forecast of above-normal rainfall but the season ended with normal precipitation.

Moreover, the southern peninsula had registered less-than-predicted rainfall, with several parts of Tamil Nadu, Karnataka and Kerala reeling under drought-like conditions.

It is likely to have a mixed effect on economy in many ways. Inflation will come down, agriculture productivity will improve and rural consumption will increase. A lower inflation will lead to low interest rates. Overall moderate to normal rainfall will be useful for rice production and in turn will maintain demand for Rice Milling Machinery.

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

The main business of the company is to manufacture Food Processing Machineries especially for Rice Milling. With over a century of experience, the company products are benchmark for the Rice Milling industry. The company also offers consolidated solutions for Rice Milling projects from conceptualization of turnkey mill to improving and modifying existing mills.

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

The company is working to extend its market coverage to access more than 80% rice pockets in India. It has worked on sales network and has resulted in increased enquiry level for its products. As a result 20% of Business is achieved from new markets from North and Central India. It addresses growing markets and reduces dependency on traditional markets.

The company continues its focus on Research & Development activities and has developed several new products. It has given a leading edge over local competitors. It has also opened up new markets for full mill business.

The company has noticed a change in buying pattern wherein customers is giving preference to organized manufacturers over local un-organized machinery suppliers and it gives business opportunity to the company.

Rice miller's business margin has reduced as paddy purchase prices are increased by govt. (Min Support Price) and market price is down by 20%.

Demonetization has resulted in a significant cash crunch, thereby leading to deferment of paddy procurement by millers/traders. Further, given that a large part of the rice industry is unorganised, there is a reduction in their buying capacity. Overall, there is expected to be some contraction in paddy demand in the near term, which could exert pressure on prices. Also, given the temporary reduction in purchasing power of the end users, the rice demand is expected to slacken, which would translate into lower realisation. The organised Basmati rice players generate approximately 45% of revenues from domestic sales and this segment is likely to witness lower revenues in H2 FY2017. The long-term impact of the demonetization exercise is expected to be transformational in nature by making more farmers adopt formal banking channels for transactions.

However continuous fall in rice price over last two years coupled with drop in exports has resulted in drop in investment plans by millers. It has lowered the overall market size for rice milling machinery and increased competition amongst increased number of manufacturers.

Such fear of competition has promoted dilution in commercial policies leading to squeezed margins and inferior business terms which company has to face in the market.

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

The company has maintained its leadership in traditional flagship products like Dandekar Cone Polishers and Table type Paddy Separator. The company has progressed well on new product development and has made 20% business through new products. The company has done major business in Polishing and Grading section. The company has introduced high end technology product "Colour Sorter" machine.

## **(E) OUTLOOK**

Rice is one of the most crucial food crops in the world and a staple diet for nearly half the global population. Over 90% of the global rice output and consumption is centered in Asia, wherein the world's largest rice producers, China and India, are also the world's largest rice consumers. High domestic consumption and restrictive trade policies of several countries for rice have restricted the international trade of rice to only 6-7% of the production. Food security objectives and the need to provide income support to domestic producers are the main reasons cited by countries to restrict rice imports

Overall Production of Rice is estimated 105 mn ton (Growth of 2%) but Basmati paddy prices have witnessed significant decline in FY2016, thereby rendering cultivation of basmati paddy a less attractive option for farmers. The total area under cultivation is expected to have fallen from around 2.1 million hectares in FY 2016 to 1.6 million hectares in the FY 2017 resulting in a production decline from around 9.8 to 8.0 million tonnes during the same period. Similarly Export of Rice decreased from 10.2 mn ton to 9 mn ton (Mainly Basmati 4.1 mn ton to 3.4 mn ton).

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

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Overall it will have a mixed effect on Indian rice milling machinery business wherein investment budgets will be squeezed putting pressure on machinery prices.

### **(F) RISK AND CONCERNS**

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

Identified risks include:

- Stagnating market growth: As domestic rice production lags a rise in consumption, overall stock levels are expected to de-cline.
- A fall in exports earlier due to ban by Iran and lower prices in international market will largely marginalise India's rice exports. The government is also not expected to intervene in the export market, as its buffer stocks are well above mini-mum requirements.
- El nino effect on rainfall and unfavorable weather conditions: Output of food-grain is reduced and will hampered the overall growth in this sector.
- Steady growth of Chinese, Thai and Korean products contributed by both organized and un-organized Rice Mill Manufacturers
- Change in the govt. policies (State and Central), FCI is stopped in states like AP, Telangana, etc

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

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

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

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

During the financial year under review, your company has achieved turnover of ` 1216.03 Lacs (previous year ` 1051.12 Lacs). The net loss is ` 257.48 Lacs (as against net loss after taxes ` 419.14 Lacs during FY 2015-16).

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

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

During the financial year, total workforce of the Company was 98.

### **(J) ENVIRONMENT**

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

### **(K) CAUTIONARY STATEMENT**

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

### **(L) LISTING FEES**

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

**(M) COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

As on 31<sup>st</sup> March 2017, the Company has no subsidiary company.

The Board presents Standalone Audited Financial Statements as prepared in compliance with the Accounting Standards, Companies Act and the Listing Regulations.

**2. Disclosure of Accounting Treatment:**

There is no deviation in accounting treatment, since the Financial Statement has been prepared in line with Accounting Standards.

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

The details forming part of the extract of the Annual Return in Form MGT - 9 is annexed herewith as '**Annexure I**' to this Report.

**NUMBER OF MEETINGS OF THE BOARD:**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March 2017, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b) accounting policies as mentioned in Part-B to the Financial Statements have been selected and applied consistently. Further judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual financial statements have been prepared on a going concern basis;
- e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**DECLARATION BY THE INDEPENDENT DIRECTORS**

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

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

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

**AUDITORS****a. Statutory Auditors**

At the Annual General Meeting held on September 11, 2014, M/s Joshi & Kulkarni, Chartered Accountants, Pune (Firm Reg. No. 115751W), were appointed as statutory auditors of the Company to hold office till the conclusion of the 80<sup>th</sup> Annual General Meeting to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the



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

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Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Joshi & Kulkarni, Chartered Accountants, Pune (Firm Reg. No. 115751W), as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

### **b. Secretarial Auditor**

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

### **c. Cost Auditor**

Being the manufacturers of Engineering Machinery pursuant to Chapter 85 of the Central Excise Tariff Act, 1985 the Company has appointed Harshad S. Deshpande, Cost Accountant (Membership No. 25054) Pune as Cost Auditors for maintenance of Cost records.

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

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s Joshi & Kulkarni, Statutory Auditors, in their Audit report and by Mr. Mahesh Athavale, Secretarial Auditor, in his Secretarial Audit Report.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186:**

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

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

During the Financial Year under review, the Company has acquired 1000 equity shares of S. L. Kirloskar CSR Foundation at the face value ₹ 10 each in tranches of 200 equity shares each from the following Companies:

- A. Kirloskar Industries Limited
- B. Kirloskar Oil Engines Limited
- C. Kirloskar Ferrous Industries Limited
- D. Kirloskar Chillers Private Limited
- E. Kirloskar Pneumatic Company Limited

The above transaction was executed with approval granted by the Audit Committee and the board of directors at their respective meetings.

All contracts/ arrangements/transactions entered by the Company during the financial year with the related parties as detailed in Note no.C-3 of the Standalone Financial Statements were in ordinary course of business and at an arm's length basis

There was no materially significant related party transaction made by the Company, as defined in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that may have potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. In compliance with Listing Regulations, the necessary statements/disclosures with respect to the Related Party Transactions, are tabled before the Audit Committee and the Board of Directors on quarterly basis. The details of the transactions with Related Parties are provided in the accompanying financial statements as required under Ind AS 24. In line with requirement of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, your Company has adopted a Policy on Related Party Transactions which is available at Company's website [www.ggdandekar.com](http://www.ggdandekar.com).

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

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

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

Particulars of the amounts proposed to be carried to reserves have been covered as part of the financial performance of the Company.

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

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

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

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

**B. Foreign exchange earnings and Outgo**

Sr. No.	Particulars	Amount in `
i)	Foreign Exchange earned in terms of actual inflows during the year	Nil
ii)	Foreign Exchange outgo during the year in terms of actual outflows	27,32,429

**RISK MANAGEMENT POLICY:**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

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

**PERFORMANCE EVALUATION**

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

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

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

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

The company does not have any subsidiary, joint venture or associate company, therefore it is not required to give details as required under Rule 8(5)(iv) of Companies (Accounts) Rules, 2014.

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

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

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

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

**DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR**

During the year under review none of the Directors or Key Managerial Personnel were appointed or have resigned.

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

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

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

### **DETAILS OF DEPOSITS AS PER CHAPTER V (ACCEPTANCE OF DEPOSITS) OF COMPANIES ACT, 2013:**

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

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

To the best of our knowledge, the Company has neither received nor is aware of any such order from Regulators, Courts or Tribunals during the year, which may impact the Going Concern Status or the Company's operations in future.

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

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

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

### **BOARD COMMITTEES:**

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

- Audit Committee
- Nomination & Remuneration Committee
- Share Transfers Cum Shareholders' / Investors' Grievance and Stake Holders Relationship Committee

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

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

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

### **VIGIL MECHANISM**

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

### **CASH FLOW**

A cash flow statement for the year ended 31<sup>st</sup> March 2017 is attached to the Balance Sheet.

### **CORPORATE GOVERNANCE CERTIFICATE:**

Your Company is committed to maintain the highest standards of Corporate Governance. Your Company continues to be compliant with the requirements of Corporate Governance as enshrined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

In terms of Regulation 34 of the SEBI Listing Regulations, a report on the Corporate Governance, along with the certificate of compliance from the Auditors, forms part of the Annual Report.

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

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

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

There were no complaints received for sexual harassment during the FY 2016-17.

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

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

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

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

There were no instances of receiving remuneration or commission by a Managing or Whole time Director of the company from its holding or subsidiary company during the FY 2016-17 requiring the disclosure under section 197(14) of the Companies Act, 2013.

**EVENT BASED DISCLOSURES IN DIRECTORS REPORT:**

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

**SECRETARIAL AUDIT REPORT:**

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

**ACKNOWLEDGMENTS**

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

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

**Sd/-**

**NIHAL G. KULKARNI**  
(DIN: 01139147)  
**CHAIRMAN**

Place: Pune  
Date: 9<sup>th</sup> May, 2017

# G. G. DANDEKAR MACHINE WORKS LIMITED

## ANNEXURE I TO THE DIRECTORS' REPORT

### EXTRACT OF ANNUAL RETURN:

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

#### I. REGISTRATION AND OTHER DETAILS

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

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

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

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

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

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

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

## i) Category-wise Shareholding

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



## G. G. DANDEKAR MACHINE WORKS LIMITED

f. Insurance Companies	1,35,680	0	1,35,680	2.85	1,35,680	0	1,35,680	2.85	0
g. Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (1)</b>	<b>1,35,680</b>	<b>0</b>	<b>1,35,680</b>	<b>2.85</b>	<b>1,35,680</b>	<b>0</b>	<b>1,35,680</b>	<b>2.85</b>	<b>0</b>
<b>2. Non - Institutions</b>									
a. Bodies Corp.									
i. Indian	3,03,201	6,300	3,09,501	6.50	2,87,645	6,300	2,93,945	6.17	(0.33)
ii. Overseas	0	0	0	0	0	0	0	0	0
b. Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1Lakh	9,86,038	2,96,120	12,82,158	26.93	10,16,000	2,94,230	13,10,230	27.52	0.59
ii. Individual shareholders holding nominal share capital in excess of ₹ 1Lakh	0	0	0	0	0	0	0	0	0
b. Others (Specify)									
a. HUF	68,908	0	68,908	1.45	59,551	0	59,551	1.25	(0.20)
b. Clearing members	10,727	0	10,727	0.23	8,812	0	8,812	0.19	(0.04)
c. NRI (Repatriate)	68,745	0	68,745	1.44	69,134	0	69,134	1.45	0.01
d. NRI (Non-Repatriate)	12,898	6,300	19,198	0.40	11,265	6,300	17,565	0.37	(0.03)
<b>Sub-total (B)(2)-</b>	<b>14,50,517</b>	<b>3,08,720</b>	<b>17,59,237</b>	<b>36.95</b>	<b>14,52,407</b>	<b>3,06,830</b>	<b>17,59,237</b>	<b>36.95</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B) (1)+ (B) (2)</b>	<b>15,86,197</b>	<b>3,08,720</b>	<b>18,94,917</b>	<b>39.80</b>	<b>15,88,087</b>	<b>3,06,830</b>	<b>18,94,917</b>	<b>39.80</b>	<b>0.00</b>
<b>C. Shares held by custodian for GDRs and ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>44,52,667</b>	<b>3,08,720</b>	<b>47,61,387</b>	<b>100.00</b>	<b>44,54,557</b>	<b>3,06,830</b>	<b>47,61,387</b>	<b>100.00</b>	<b>0</b>



## G. G. DANDEKAR MACHINE WORKS LIMITED

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

Sr. No	For each of the Top 10 Shareholders	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	K. V. Development and Investment Co. Pvt. Ltd					
	At the beginning of the year (01/04/2016)		2,68,664	5.64	2,68,664	5.64
	Decrease, If any	No change	0	0	0	0
	Increase, If any	No change	0	0	0	0
	At the end of year (31/03/2017)		2,68,664	5.64	2,68,664	5.64
2	The Oriental Insurance Co. Ltd					
	At the beginning of the year (01/04/2016)		1,35,680	2.85	1,35,680	2.85
	Decrease, If any	No change	0	0	0	0
	Increase, If any	No change	0	0	0	0
	At the end of year (31/03/2017)		1,35,680	2.85	1,35,680	2.85
3	Krishna Kumar Dharamshi Somaiya					
	At the beginning of the year (01/04/2016)		61,200	1.29	61,200	1.29
	Decrease, If any	Sell	200	0.01	61,000	1.28
	Increase, If any		0	0	0	0
	At the end of year (31/03/2017)		61,000	1.28	61,000	1.28
4	Minoobabu					
	At the beginning of the year (01/04/2016)		44,000	0.92	44,000	0.92
	Decrease, If any		0	0	0	0
	Increase, If any	Buy	6,001	0.13	50,001	1.05
	At the end of year (31/03/2017)		50,001	1.05	50,001	1.05
5	K V Deodhar					
	At the beginning of the year (01/04/2016)		42,840	0.90	42,840	0.90
	Decrease, If any	No change	0	0	0	0
	Increase, If any	No change	0	0	0	0
	At the end of year (31/03/2017)		42,840	0.90	42,840	0.90

6	Devkishan Chitangia					
	At the beginning of the year (01/04/2016)		19,684	0.41	19,684	0.41
	Decrease, If any		0	0	0	0
	Increase, If any	Buy	17,816	0.37	37,500	0.79
	At the end of year (31/03/2017)		37,500	0.79	37,500	0.79
7	Shivanand Ramkrishna Prabhu					
	At the beginning of the year (01/04/2016)		22,750	0.48	22,750	0.48
	Decrease, If any		0	0	0	0
	Increase, If any	Buy	1750	0.03	24,500	0.51
	At the end of year (31/03/2017)		24,500	0.51	24,500	0.51
8	Mita Dipak Shah					
	At the beginning of the year (01/04/2016)		17,500	0.37	17,500	0.37
	Decrease, If any		0	0	0	0
	Increase, If any	Buy	500	0.01	18,000	0.38
	At the end of year (31/03/2017)		18,000	0.38	18,000	0.38
9	Sunita Girish Bakre					
	At the beginning of the year (01/04/2016)		16,615	0.35	16,615	0.35
	Decrease, If any		0	0	0	0
	Increase, If any	Buy	350	0.01	16,965	0.36
	At the end of year (31/03/2017)		16,965	0.36	16,965	0.36
10	Asha Ramesh Tolat					
	At the beginning of the year (01/04/2016)		21,600	0.45	21,600	0.45
	Decrease, If any	Sell	21,600	0.45	0	0
	Increase, If any		0	0	0	0
	At the end of year (31/03/2017)		0	0	0	0

**Note:**

- In cases of joint holding, the name of the first holder is considered.
- The shareholding details given above are based on the legal ownership and not beneficial ownership and is derived on the folio number listing provided by the Registrar and Transfer Agent of the Company.

## G. G. DANDEKAR MACHINE WORKS LIMITED

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

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

#### Note:

- 1) Apart from above mentioned Directors and Key Managerial Personnel (KMP) no other directors/KMP holds any shares in the Company.
- 2) Shares held singly or as first holder only considered.

### V. INDEBTEDNESS

#### Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year	1,99,82,201	0	1,17,000	2,00,99,201
i) Principal amount	1,97,69,985	0	1,17,000	1,98,86,985
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due.	2,12,216	0	0	2,12,216
Total (i+ii+iii)	1,99,82,201	0	1,17,000	2,00,99,201
Changes during the financial year	0	0	0	0
Addition	2,02,79,957	0	0	2,02,79,957
Reduction	2,05,39,602	0	11,000	2,05,50,602
Net Change	2,59,645	0	11,000	2,70,645
Indebtedness at the end of the financial year	2,02,41,846	0	1,06,000	2,03,47,846
i) Principal amount	2,00,00,000	0	1,06,000	2,01,06,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due.	2,41,846	0	0	2,41,846
Total (i + ii + iii)	2,02,41,846	0	1,06,000	2,03,47,846

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No	Particulars of Remuneration	Name of Managing Director / Whole Time Director / Manager
		<b>Mr. Mangesh S. Joshi Whole Time Director (Amount in Rs.)</b>
<b>1</b>	<b>Gross Salary</b>	<b>(Amount in ` )</b>
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	49,14,029
	b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	30,360
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- as % of profit	
	- others, specify .....	
5	Others, please specify (Company's contribution towards PF)	1,44,000
	<b>Total (A)</b>	<b>50,88,389</b>

Ceiling as per the Act is ` 42 Lacs, however as approved by special resolution the limit is doubled i.e. ` 84 Lacs

## B. Remuneration to other Directors:

(Amount in ` )

Particulars of Remuneration	Name of Directors			Total Amount
	Mr. Rajesh D. Phadke	Mr. Saurabh B. Patwardhan	Mrs. Savita P. Sahasrabudhe	
<b>Independent Directors</b>				
Fee for attending board / committee meetings	50,000	40,000	40,000	1,30,000
Commission	-	-	-	-
Others, please specify	-	-	-	-
<b>Total (1)</b>	<b>50,000</b>	<b>40,000</b>	<b>40,000</b>	<b>1,30,000</b>
<b>Other Non-Executive Directors</b>				
Fee for attending board / committee meetings	20,000	50,000	-	70,000
Commission	-	-	-	-
Others, please specify	-	-	-	-
<b>Total (2)</b>	<b>20,000</b>	<b>50,000</b>	<b>-</b>	<b>70,000</b>
<b>Total (B) = (1 + 2)</b>	<b>70,000</b>	<b>90,000</b>	<b>40,000</b>	<b>2,00,000</b>
Total Managerial Remuneration				<b>2,00,000</b>
Overall Ceiling as per the Companies Act, 2013	` 1.00 lac sitting fees per meeting for each Director.			



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

(Amount in ` )

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Saurabh S. Somani, Company Secretary (CS)	Mr. Sanket S. Gunjkar, Chief Financial Officer (CFO)	
1	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4,63,659	8,16,434	12,80,093
b)	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify .....	-	-	-
5	Others, please specify (contribution towards PF & FPF)	18,361	26,640	45,001
	<b>Total</b>	<b>4,82,020</b>	<b>8,43,074</b>	<b>13,25,094</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding Fees imposed	Authority (RD/NCLT /COURT)	Appeal Made, if any (Give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

There were no penalties / punishment / compounding of offences for breach of any provision or section of the Companies Act, 2013 against the Company or its Directors or other officers in default, as the case may be, during the year under review.

**ANNEXURE II TO THE DIRECTORS' REPORT  
THE NOMINATION AND REMUNERATION POLICY**

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

**PHILOSOPHY:**

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

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

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

**OBJECTIVE:**

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

**COVERAGE:**

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

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

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

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

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

**B. Guidelines of determining remuneration of:**

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

**I. DIRECTORS**

**i. Executive Directors:**

The Board of Directors of the Company shall decide the remuneration of Executive Directors on the basis of recommendation from Nomination and Remuneration Committee (N&RC) subject to the overall limits provided under the Companies Act, 2013 ('the Act') and rules made thereunder, including any amendments, modifications and re-enactments thereto (the Act) and in compliance with the provisions of the SEBI (Listing Obligations and Disclosure

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Requirements), 2015 as applicable from time to time. The remuneration shall be approved by the shareholders of the Company, as and when required.

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

The Board may vary any terms and conditions of the contract subject to such approvals, as may be required under the Act or any other law for the time being in force from time to time.

Every notice sent to the shareholder for seeking their approval for appointment / re-appointment / remuneration of the executive directors shall contain the gist of terms and conditions of the relevant contract (i.e. Service Agreement).

The remuneration components shall include inter alia:

**a. Fixed salary:**

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

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

OPTION 2: The salary shall remain fixed for the term of the Executive Director, in such case if it is required to be revised then it will be revised on the recommendation of the N&RC and approval of the Board and subject to the prior approval of the shareholders of the company in their general meeting.

**b. Commission/ Performance linked Bonus:**

The Board may approve payment of commission subject to the provisions of the Act. The amount of commission to be paid to each of the executive director(s), shall be as recommended by the N&RC on the basis of performance evaluation carried out in respect of such executive director(s) under Section 178 of the Companies Act, 2013 and the provisions of the SEBI (listing Obligations and Disclosure Requirements), 2015. The remuneration package of the Managing Director and Whole Time Director comprises of a fixed salary component and a commission or performance linked bonus. A fair portion of the remuneration of the Executive Directors may be linked to the Company's performance, thereby creating a strong alignment of interest with shareholders.

**c. Non-monetary benefits:**

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

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

**d. Stock options:**

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

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

**f. Separation / Retirement benefits:**

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

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961 or any amendment thereof;

- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- (c) Encashment of leave at the end of the tenure.

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

**ii. Non Executive Directors:**

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

**a. Sitting fees :**

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

Sitting fees may be over and above the limits prescribed in the Act for payment of remuneration subject to the condition that the amount of sitting fees per meeting shall not exceed ` 1 Lac and also the amount as may be prescribed in the Rules and the other applicable provisions of the various laws for the time being in force from time to time, if any for independent and non independent directors.

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

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

**b. Commission**

The Board may approve payment of commission subject to the provisions of the Act. The amount of commission to be paid to each of the non-executive director(s), shall be as recommended by the N&RC on the basis of performance evaluation carried out in respect of such non-executive director(s) under Section 178 of the Act and the provisions of the SEBI (listing Obligations and Disclosure Requirements), 2015 and also the other applicable provisions of the various laws for the time being in force from time to time, if any.

**c. Stock Options:**

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

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

**d. Professional fees:**

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

- (a) Journalist
- (b) Editor of a magazine but not the publisher or the proprietor
- (c) Man of letters writing numerous articles
- (d) Author
- (e) Engineer
- (f) Architect
- (g) Solicitor
- (h) Stock broker
- (i) Film actor
- (j) Optician
- (k) Commission Agent

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- (l) Auctioneer, valuer or an estate agent
- (m) Chartered Accountant
- (n) Advocate

Such professional fees shall not be considered as remuneration for the purpose of the Companies Act, 2013.

### **EXCESS REMUNERATION:**

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

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

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

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

## **II. KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

### **i. Key Managerial Personnel:**

Key Managerial Personnel (KMP) means Chief Executive Officer/Managing Director/ Manager, Whole-time director in case of the office of the Chief Executive Officer/Managing Director/ Manager is vacant; Company Secretary and Chief Financial Officer .

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

The remuneration components may be:

#### **a. Fixed salary:**

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

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

#### **b. Variable pay:**

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

The variable pay shall be payable at the end of financial year based on absolute and relative performance evaluation of the Company as well as that individual.

#### **c. Non monetary benefits:**

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

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

#### **d. Stock options:**

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

**e. Separation / Retirement benefits:**

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

**DIRECTORS AND OFFICERS LIABILITY INSURANCE:**

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

**CONSULTANTS AND ADVISORS:**

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

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

**sd/-**

**Atul C. Kirloskar**

Chairman of the Board

**DIN : 00007387**

**sd/-**

**Rajesh D. Phadke**

Chairman of the Nomination &  
Remuneration Committee

**DIN : 02749329**

# G. G. DANDEKAR MACHINE WORKS LIMITED

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## ANNEXURE III TO THE DIRECTORS' REPORT SECRETARIAL AUDIT REPORT (DRAFT)

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED on 31<sup>st</sup> March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED on 31<sup>st</sup> March, 2017

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; There are no events occurred during the period which attracts provisions of these guidelines hence not applicable.
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; There are no events occurred during the period which attracts provisions of these guidelines, hence not applicable
  - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; There are no events occurred during the period which attracts provisions of these guidelines hence not applicable;
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; There are no events occurred during the period which attracts provisions of these guidelines hence not applicable and
  - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; There are no events occurred during the period which attracts provisions of these guidelines hence not applicable.
- vi. As informed to us by the Management, there are no other laws which are specifically applicable to the company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India:
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited;

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were taken by majority, while there were no dissenting views expressed in the meetings and hence not captured and recorded in the minutes.

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

We further report that there has been a delay in filing for INV 5 with respect to transfer to funds to IEPF, due to reconciliation related issues with the Banks. As informed to us, the company is in process of filing form INV 5.

Place : Pune  
Date : 9<sup>th</sup> May 2017

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



# G. G. DANDEKAR MACHINE WORKS LIMITED

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## Annexure A to the Secretarial Audit Report

To,  
The Members  
**G. G. DANDEKAR MACHINE WORKS LIMITED**  
211/A, MIDC, Butibori Industrial Area,  
Village Kinhi, Tal. Hingana,  
Dist. Nagpur 441122.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Pune  
Date : 9<sup>th</sup> May 2017

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

## ANNEXURE IV TO THE DIRECTORS' REPORT

## A. CONSERVATION OF ENERGY

- ā Steps taken or impact on conservation of energy.  
*LED Street lighting, we have switched over from existing Sodium vapor to LED lights resulting in saving of 6625 units of electricity per year valued approximately ` 65,000/- annually.*  
*Changed Seating arrangement of employee in resulting in saving of electricity worth approximately ` 28,000/- per year.*  
*Total saving is approximately ` 93,000/- annually through energy conservation.*
- ā Steps taken by the company for utilizing alternate sources of energy.  
*Company has installed turbo Air ventilator to utilize natural air draft to for proper ventilation & optimize room temperature in summer season.*
- ā Capital investment on energy conservation equipment.  
*Company has taken a trial for solar lamp installation at factory premises & proposal is under consideration.*

## B. TECHNOLOGY ABSORPTION

- ā Efforts made towards technology absorption.
  - *Conventional manufacturing process is being gradually changed to latest LASER cutting , CNC punching, CNC bending, Water Jet cutting & powder coating technology for sheet metal parts of machineries to improve product aesthetics and quality.*
  - *Design software upgraded to latest software (Pro-E Creo) in R&D to design machineries in 3D modeling with verification of integration.*
  - *Traditional Cast Iron body polisher is redesigned with fabricated construction and vitrified bonded long lasting cone.*
  - *Environment friendly design for paddy separator wherein Teakwood is replaced with metal.*
  - *Enhancement in house trial & testing capacity, a new test bed set up for colour sorter to test product before dispatch.*
- ā Benefits derived like product improvement, cost reduction, new product development.
  - *Product Improvement: Product manufacturing is improved by changing 1. Painting to Powder coating, 2. Gas cutting / Shearing to LASER cutting / Water jet cutting, 3. Conventional welding to bolted assembly. It has also resulted in reduction of assembly time. It has improved product aesthetics.*
  - *Cost Reduction: Changing source of supplier and better negotiations, upgrading material of construction, Redesigning components to reduce weight of castings & sheet metal components has resulted in getting cost benefits. Further initiatives like rationalizing security guards by installing CCTV cameras, installing LED street lights, optimizing air conditioned office spaces has contributing towards reduction in operating cost.*
  - *New Product development: New products were developed & introduced in the market e.g. Rice Silk with humidifier, Sheller with Vibro feeder, multiple deck grader, Husk Box with sieve, polisher with top bearing support, colour sorter etc.*
- ā In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)  
*The company has not imported any technology in last financial year.*
  - *Details of technology imported.*  
*Not applicable since it has not imported any technology in the last three financial years.*
  - *Year of import.*  
*Not applicable*
  - *Whether the technology has been fully absorbed.*  
*Not applicable*
  - *If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and*  
*Not applicable*
  - *Expenditure incurred on research & development Approx. ` 30 Lakhs.*

# G. G. DANDEKAR MACHINE WORKS LIMITED

## ANNEXURE V TO THE DIRECTORS' REPORT

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

Sr. No	Particulars	After considering commission
I	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	<b>Ratio</b>
		Mr. Nihal G. Kulkarni, Chairman
		Mr. Mangesh S. Joshi Whole Time Director
		Mr. Madhav R. Chandrachud
		Mr. Rajesh D. Phadke
		Mr. Saurabh B. Patwardhan
		Mrs. Savita P. Sahasrabudhe
II	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016-17	<b>Name of Director</b>
		Mr. Nihal G. Kulkarni, Chairman
		Mr. Mangesh S. Joshi Executive Director
		Mr. Madhav R. Chandrachud
		Mr. Rajesh D. Phadke
		Mr. Saurabh B. Patwardhan
		Mrs. Savita P. Sahasrabudhe
		Mr. Saurabh S. Somani
		Mr. Sanket S. Gunjekar
		III
IV	The number of permanent employees on the rolls of Company	37 including Executive Director
V	The Explanation on the relationship between average increase in remuneration and company performance	There was no increase in remuneration during the year
VI	Comparison on the remuneration of the Key Managerial Personnel against the performance of the Company	Not Applicable

		As on 31 <sup>st</sup> March		
		2017	2016	
VII	Variation in the market capitalizations of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies	Market Capitalization (` In Lakhs)	2656.85	2494.97
		PE Ratio*	(10.81)	(6.01)
		*Source- BSE Ltd The Company had not made any public offer.		
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	NIL		
		NIL		
IX	Comparison of the each remuneration of the KMP against the performance of the Company	The remuneration is not solely based on company performance but also includes various other factors like individual performance, industry trends, economic situation, future growth prospects, etc. The Board believes that the remuneration is in line with industry.		
X	The key parameters for any variable component of remuneration availed by the Directors	Commission is the variable component in the remuneration of Director's. As per the Nomination and Remuneration Policy of the Company, the amount of commission is calculated on the basis of performance evaluation of the directors. However, no commission was paid to Directors during the FY 2016-17.		
XI	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Not Applicable		
XII	Affirmation	The Board affirms that the remuneration is as per the remuneration policy of the Company.		

# G. G. DANDEKAR MACHINE WORKS LIMITED

## Report on Corporate Governance

(Pursuant to Regulation 72 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### 1. The Company's philosophy on Code of Corporate Governance

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

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

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

### 2. Board of Directors

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

#### a. Composition of the Board

As at 31<sup>st</sup> March 2017, the Board comprised of six Directors. The Composition of the Board is as under:

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

#### b. Number of Board Meetings

During the financial year under review, four Board Meetings were held on 24<sup>th</sup> May, 2016, 09<sup>th</sup> August, 2016, 19<sup>th</sup> October, 2016 and 27<sup>th</sup> January, 2017.

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

The information on composition and category of the Board of Directors as on 31<sup>st</sup> March 2017, attendance of each Director at Board Meetings held during the financial year 2016-17 and the Annual General Meeting (AGM) held on 09<sup>th</sup> August, 2016, directorships and committee positions in other public companies of which the Director is a Member/ Chairman and the shareholding of Non-Executive Directors is as follows:

Sr. No.	Name of Director	No. of Shares held by Non Executive Directors	No of Directorships held in other Public Ltd Co.**	No. of Committee positions held in other Public Ltd. Co.***		Attendance at the Meetings	
				Chairman	Member	Board	AGM
<b>Executive Directors (Whole time Director)</b>							
1.	Mr. Mangesh S. Joshi	N.A.	-	-	-	4	Present
<b>Non Executive Directors</b>							
2.	Mr. Madhav R. Chandrachud	NIL	-	-	-	4	Present
3.	Mr. Nihal G. Kulkarni *	NIL	3	N.A.	1	4	Present
<b>Independent &amp; Non Executive Directors</b>							
4.	Mr. Rajesh D. Phadke	NIL	1	-	-	4	Present
5.	Mr. Saurabh B. Patwardhan	NIL	-	-	-	4	Present
6.	Mrs. Savita P. Sahasrabudhe	NIL	1	-	2	3	Present

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

**Note:**

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

**d. Criteria for performance evaluation:**

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Directors. The annual evaluation of Directors is made on the following criteria:

- i. Attendance for the meetings, participation and independence during the meetings;
- ii. Interaction with Management;
- iii. Role and accountability of the Board and
- iv. Knowledge and proficiency

The evaluation involves assessment by the Nomination & Remuneration Committee and Board of Directors. A member of the Nomination & Remuneration Committee and Board does not participate in discussion of his / her evaluation.

Disclosure of relationships between directors inter-se

**e. Meeting of Independent Directors**

Separate meeting of Independent Directors in compliance with Schedule IV of the Companies Act, 2013 was held during the year and all Independent Directors were present at the said meeting to discuss inter-alia:

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

**f. Familiarization program for Independent Directors**

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

**g. Code of Conduct**

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

**h. Information supplied to the Board**

Among others, this includes:

- Review of annual operating plans of business, capital budgets, updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Material important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Details of any joint venture or collaboration agreement;

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- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;
- Significant labour problems and their proposed solutions;
- Significant development in human resources and industrial relation fronts;
- Non-compliance of any regulatory, statutory provision or listing requirements as well as shareholders service such as non-payment of dividend and delay in share transfer;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer or Company Secretary.

### 3. Audit Committee

#### a. Composition

As at 31<sup>st</sup> March, 2017, the Audit Committee comprises of Four Non-Executive Directors, among which 3/4th of the members are Independent. The Company Secretary acts as the Secretary to the Committee. The Executive (Whole Time) Director also attends the Audit Committee Meetings. The representatives of the Internal Auditors and Statutory Auditors are also invited to the meetings.

During the financial year under review, four meetings of the Committee were held on 24<sup>th</sup> May, 2016, 09<sup>th</sup> August, 2016, 19<sup>th</sup> October, 2016 and 27<sup>th</sup> January, 2017.

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

Sr. No.	Name of the member Director	Category	Number of meetings attended
1.	Mr. Rajesh D. Phadke (Chairman)	Independent	4
2.	Mr. Madhav R. Chandrachud	Non- Independent	4
3.	Ms. Savita P. Sahasrabudhe	Independent	3
4.	Mr. Saurabh B. Patwardhan	Independent	4

#### a. Terms of Reference

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

1. Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board, for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub - Section 3 of Section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualification in Draft Audit Report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Approving or any subsequently modifying transactions of the company with related parties.
9. Scrutinizing inter-corporate loans and investments.
10. Ensuring valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluating internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussing with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussing with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. Reviewing the functioning of the Whistle Blower mechanism.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Mandatorily reviewing the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Internal Auditor.
21. Carrying out any other function as is mentioned in the terms of reference of Audit Committee as amended from time to time by the Listing Regulations and Companies Act, 2013.

**b. Powers of Audit Committee**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**4. Nomination and Remuneration Committee**

**a. Composition**

As at 31<sup>st</sup> March, 2017, the Nomination and Remuneration Committee comprises of three Non-Executive Directors, majority of whom are Independent. The composition is in conformity with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year under review, two meetings of the Committee were held on 24<sup>th</sup> May, 2016 and 09<sup>th</sup> August 2016.



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

Sr. No.	Name of the member Director	Category	Number of meetings attended
1.	Mr. Rajesh D. Phadke (Chairman)	Non-Executive Independent	2
2.	Mr. Madhav R. Chandrachud	Non-Executive Non Independent	2
3.	Mrs. Savita P. Sahasrabudhe	Non-Executive Independent	2

### b. Terms of Reference

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

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. To set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and Senior Management of the quality required to run your Company successfully
- v. To set the relationship of remuneration to performance
- vi. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- vii. Formulation of policy relating to the remuneration for the directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### 5. Remuneration to Directors

#### 1. Remuneration to Directors

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

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

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

The sitting fees of ₹ 5,000/- per meeting of the Board and any committee thereof, payable to the Non-Executive Directors on account of attendance at such meetings of the Board or the Committees as the case may be.

## Details of the remuneration paid to Directors during Financial Year 2016-17

(Amount in ` )

Sr. No.	Name of Director	Salary (`)	Perquisites & Other Benefits (`)	Contribution to Statutory Funds (`)	Sitting Fees (`)	Commission (`)	Total (`)
	<b>Executive Director</b>						
1	Mr. Mangesh S. Joshi (Whole Time Director)	49,14,029	30,360	1,44,000	Not Applicable	-	50,88,389
	<b>Non-Executive Directors</b>						
2	Mr. Nihal G. Kulkarni	-	-	-	20,000	-	20,000
3	Mr. Madhav R. Chandrachud	-	-	-	50,000	-	50,000
4	Mr. Rajesh D. Phadke	-	-	-	50,000	-	50,000
5	Mr. Saurabh B. Patwardhan	-	-	-	40,000	-	40,000
6	Mrs. Savita P. Sahasrabudhe	-	-	-	40,000	-	40,000
	<b>Total</b>	<b>49,14,029</b>	<b>30,360</b>	<b>1,44,000</b>	<b>2,00,000</b>		<b>52,88,389</b>

**6. Share Transfers Cum Shareholders' / Investors' Grievance and Stake Holders Relationship Committee**

The Share Transfers Cum Shareholders' / Investors' Grievance and Stake Holders Relationship Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. and redressal thereof. The Committee is headed by Mr. Madhav R. Chandrachud, Non-executive & Non - Independent Director, with Mr. Nihal G. Kulkarni, Non-Executive & Non - Independent Director and Mr. Mangesh S. Joshi, Executive Director, being the other members of the Committee.

During the financial year under review, one meeting of Share Transfers Cum Shareholders' / Investors' Grievance and Stake Holders Relationship Committee Meeting was held on 27<sup>th</sup> January, 2017.

Mr. Saurabh Somani, Company Secretary is the Compliance Officer.

The Compliance Officer can be contacted at:

**G. G. Dandekar Machine Works Limited**  
211/A, MIDC Butibori Industrial Area,  
Kinhi Village, Tah. Hingna, Dist. Nagpur 441122  
Tel.: (07104) 667300; Fax: (07104) 667302  
E-mail: [saurabh.somani@ggdandekar.com](mailto:saurabh.somani@ggdandekar.com)

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

During the year ended 31<sup>st</sup> March 2017, one complaint was received and replied to the satisfaction of the shareholders and there were no complaints outstanding as on 31<sup>st</sup> March 2017.

**7. General Body Meetings**

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

Financial Year	Date	Type of Meeting	Venue	Time
2015-16	09 <sup>th</sup> August 2016	Annual General Meeting	211/A, MIDC Butibori Industrial Area, Kinhi Village, Tah. Hingna, Dist. Nagpur 441122	11.00a.m
2014-15	04 <sup>th</sup> September 2015	Annual General Meeting	211/A, MIDC Butibori Industrial Area, Kinhi Village, Tah. Hingna, Dist. Nagpur 441122	11.00a.m
2013-14	11 <sup>th</sup> September 2014	Annual General Meeting	211/A, MIDC Butibori Industrial Area, Kinhi Village, Tah. Hingna, Dist. Nagpur 441122	11.00a.m.

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Among the previous General Meetings, one Special Resolution was passed by the shareholders as below:

Appointment of Mr. Mangesh S. Joshi as Executive Director for the period of 3 years commencing from 25<sup>th</sup> July, 2015 along with remuneration payable to him.

During the year, Company had not passed any special resolution by postal ballot.

At present, no special resolution is proposed to be passed by postal ballot at the ensuing Annual General Meeting.

### 8. MEANS OF COMMUNICATION

#### a. Quarterly results

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

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

There were no presentations made to any institutional investors or to the analysts during the year under review.

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

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

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

### 9. GENERAL SHAREHOLDER INFORMATION

Corporate Identification Number (CIN)	L99999MH1938PLC002869
Name and Registered office of the Company	G. G. Dandekar Machine Works Limited, 211/A, MIDC Buti Bori Industrial Area, Village Kinhi, Tal. Hingana, Dist. Nagpur, Pin-441122.
Annual General Meeting	Date and Day : Wednesday, 9 <sup>th</sup> August 2017 Time : 11:00 am Venue : 211/A, MIDC Butibori Industrial Area, Kinhi Village, Tah. Hingna, Dist. Nagpur 441122
Book Closure	7 <sup>th</sup> August 2017 to 9 <sup>th</sup> August 2017 (Both days inclusive)
Last date of receipt of	proxy forms
Financial Year 2016-17	During the year the financial results were announced as under: First quarter : 09 <sup>th</sup> August 2016 Second quarter : 19 <sup>th</sup> October 2016 Third quarter : 27 <sup>th</sup> January 2017 Annual : 09 <sup>th</sup> May 2017
International Security Identification Number (ISIN)	INE631D01026
Name and address of stock exchange where shares are listed	BSE Limited (BSE), Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001
Stock Code	505250
Designated E-mail address for investor services	ir@ggdandekar.com

The company has not declared / recommended any dividend during the financial year 2016-17 so also for the financial year ending on 31.03.2016.

**b. Shareholding Pattern as on 31<sup>st</sup> March 2017**

Sr. No.	Category	No. of shares	% of Share holding
1	Promoters	28,66,470	60.20
3	Clearing Members	8,812	0.19
4	Other Bodies Corporate	2,93,945	6.17
5	Hindu Undivided Family	59,551	1.25
6	NRI (Repatriable)	69,134	1.45
7	NRI (Non- Repatriable)	17,565	0.37
8	General Public	13,10,230	27.52
9	GIC & Its Subsidiaries	1,35,680	2.85
	<b>TOTAL</b>	<b>47,61,387</b>	<b>100.00</b>

**c. Distribution of Shareholding as on 31<sup>st</sup> March 2017**

Shareholding of nominal value of		Shareholders		No. of Shares (Nominal Value @ ₹ 1)	
		Number	% to Total	Number	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
1	5000	2673	98.38	9,73,339	20.44
5001	10,000	21	0.77	1,57,137	3.30
10,001	20,000	9	0.33	1,24,246	2.61
20,001	30,000	2	0.07	46,100	0.97
30,001	40,000	1	0.04	37,500	0.79
40,001	50,000	1	0.04	42,840	0.90
50,001 and above		10	0.37	33,80,225	70.99
<b>TOTAL</b>		<b>2717</b>	<b>100</b>	<b>47,61,387</b>	<b>100.00</b>

**d. Dematerialization of Shares and Liquidity**

Dematerialisation of shares and liquidity (as on 31 <sup>st</sup> March 2017)	44,54,557
Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued GDRs / ADRs / Warrants or any Convertible instruments.

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

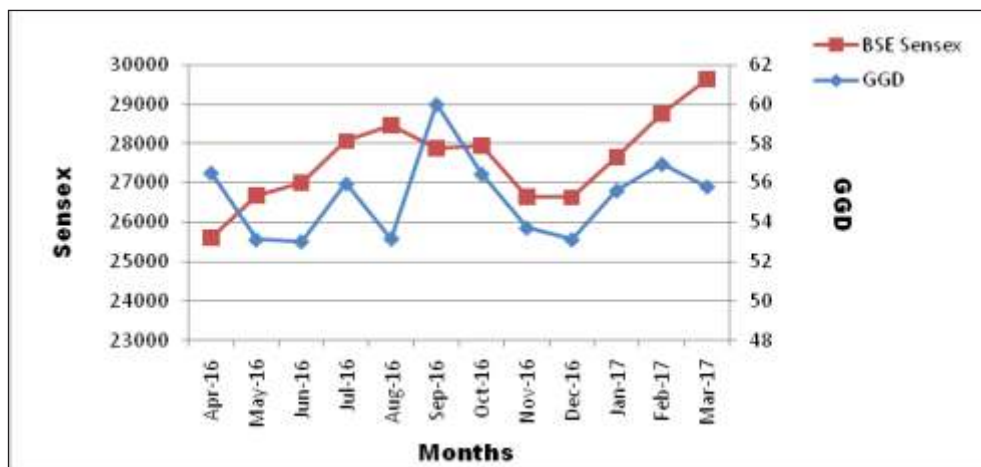
**e. Market Price Data**

Monthly high / low during the year 2016-17 on the BSE are as under:

Stock Exchange	BSE	
Month	High (₹)	Low (₹)
April 2016	58.90	52.00
May 2016	60.50	52.35
June 2016	57.15	48.10
July 2016	61.00	51.60
August 2016	62.00	48.00
September 2016	61.80	51.00
October 2016	60.00	53.00
November 2016	61.00	50.10
December 2016	57.50	51.00
January 2017	58.00	52.00
February 2017	59.20	52.50
March 2017	59.15	52.50

## G. G. DANDEKAR MACHINE WORKS LIMITED

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



The securities (Equity shares) of the company were not suspended from trading at any point of time during the financial year under review.

### g. Share Transfer System

- I. The applications for transfer of shares lodged at the Company's Registrar and Share Transfer Agents in physical form are processed within 15 days of receipt of the valid and complete documents in all respects. After such processing, the Registrar and Share Transfer Agent will issue share certificate to the concerned shareholder within 15 days of receipt of certificate for transfer. Shares under objection are returned within a stipulated period of time. The transfer applications are approved periodically by the senior management of the Company.
- II. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis is issued by the Practicing Company Secretary for compliance with share transfer formalities by the Company.
- III. Registrar and Share Transfer Agent (R & T Agent)

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

<b>Link Intime India Private Limited</b>	'Akshay' Complex, Block No. 202, 2nd Floor, Off Dhole Patil Road, Pune – 411 001 Tel: (020) 2616 1629 / 2616 0084 Email: pune@linkintime.co.in
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### IV. Shareholder References

- Permanent Account Number (PAN)

Shareholders holding shares in the physical form are informed that as per SEBI's guidelines, it is mandatory to furnish copy of PAN Card in the following cases:

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

- **Email Address**

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

In respect of shares held in physical form, shareholders are requested to register their e-mail addresses with the Company / R & T Agent (with Depository Participants in case of shares held in dematerialized form).

- **Dematerialization of shares**

Shareholders are requested to dematerialize their physical share holdings through any of the nearest Depository Participants (DPs) in order to avoid hassles involved with physical shares such as possibility of loss / mutilation of share certificate(s), and to ensure safe and speedy transaction in securities.

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

The Reserve Bank of India (RBI) has initiated NECS for credit of Dividend directly to the Bank Account of shareholders. Shareholders holding shares in electronic mode are requested to register their latest Bank Account details with their Depository Participant and in physical form with the Company's R & T Agent viz. Link Intime India Private Limited.

- **Address for correspondence**

Shareholders' correspondence should be addressed to Link Intime India Private Limited, Registrar and Share Transfer Agent, at the address mentioned above. Shareholders can also email their queries / grievances to the following email address: [ir@ggdandekar.com](mailto:ir@ggdandekar.com)

- **Plant Locations**

Company has its plant located at:

211/A, MIDC Butibori Industrial Area, Village Kinhi, Tah. Hingna, Dist. Nagpur 441122

- **CEO/CFO Certification**

The CEO/CFO certificate pursuant to regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 signed by Mr. Mangesh S. Joshi, Whole Time Director and Mr. Sanket S. Gunjekar, Chief Financial Officer (CFO) was placed before the meeting of the Board of Directors held on 9<sup>th</sup> May, 2017.

- **Particulars of Appointment/ Re-Appointment of Non – Executive Directors**

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

- **Disclosure under Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of unclaimed shares**

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

As on 31<sup>st</sup> March 2017, the total unclaimed equity shares are 31,230

- **Listing Fees**

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

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

BSE Limited	BSE Limited (BSE), Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001
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## 10. OTHER DISCLOSURES

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

### a. Related Party Transactions

During the Financial Year under review, the Company has acquired 1,000 equity shares of S. L. Kirloskar CSR Foundation at the face value Rs. 10/- each in tranches of 200 equity shares each from the following Companies:

- Kirloskar Industries Limited
- Kirloskar Oil Engines Limited
- Kirloskar Ferrous Industries Limited
- Kirloskar Chillers Private Limited
- Kirloskar Pneumatic Company Limited

The above transaction was executed with the approval granted by the Audit Committee and the board of directors at their respective meetings.

All contracts/ arrangements/transactions entered by the Company during the financial year with the related parties as detailed in Note no.C-3 of the Standalone Financial Statements were in ordinary course of business and at an arm's length basis.



## G. G. DANDEKAR MACHINE WORKS LIMITED

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There was no materially significant related party transaction made by the Company, as defined in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that may have potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. In compliance with Listing Regulations, the necessary statements/disclosures with respect to the Related Party Transactions, are tabled before the Audit Committee and the Board of Directors on quarterly basis. The details of the transactions with Related Parties are provided in the accompanying financial statements as required under Ind AS 24. In line with requirement of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, your Company has adopted a Policy on Related Party Transactions which is available at Company's website [www.ggdandekar.com](http://www.ggdandekar.com).

**b. Details of non-compliance on any matter related to capital market, if any**

There have been no instances of non-compliances by the Company on any matters related to capital markets. Neither penalties have been imposed nor any strictures imposed on the Company by the Stock Exchanges, The Securities Exchange Board of India (SEBI) or any other statutory authority, on any matter related to capital markets.

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

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

The policy has also been uploaded on the Company's website at:  
[http://www.ggdandekar.com/Code\\_Of\\_Conduct/Whistle\\_Blower\\_Policy.pdf](http://www.ggdandekar.com/Code_Of_Conduct/Whistle_Blower_Policy.pdf)

**d. Compliance with the Mandatory Corporate Governance Requirements and adoption of the non-mandatory requirements as prescribed under the Listing Regulations**

The Board of Directors periodically review the compliance of all applicable laws. The Company is in full compliance with all the requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, though the company is exempted from complying with these requirements as prescribed under regulation 15(2) of the SEBI (LODR) Regulations, 2015. The Company has obtained a certificate affirming the compliances of the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from M/s. KANJ & Associates, Company Secretaries, the Company's Secretarial Auditors and the same is appended as an Annexure to the Annual Report.

**e. Policy for determining 'material' subsidiaries**

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

**f. Policy on materiality of related party transactions and dealing with related party transactions**

The Company has a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions which has been put on the website of the Company at [http://www.ggdandekar.com/en/Information/Code\\_of\\_Conduct/](http://www.ggdandekar.com/en/Information/Code_of_Conduct/)

**g. Commodity price risk or foreign exchange risk and hedging activities**

The Company is not having any Commodity price risk or foreign exchange risk and not involved in hedging activities.

**11. Compliance with the discretionary Corporate Governance Requirements as prescribed under the Listing Regulations**

**i. The Board**

The Non-Executive Chairman of the Company has its separate office.

**ii. Shareholder Rights**

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

**iii. Statutory Auditors qualifications**

There are no qualifications on the Financial Statements of the Company for the year ended 31<sup>st</sup> March 2017.

**iv. Separate posts of chairperson and chief executive officer**

Position of the Chairman and the Managing Director are held by separate individuals

**v. Reporting of Internal Auditor**

The internal auditor may report directly to the audit committee.

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

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

Pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board as made effective from 1<sup>st</sup> April 2007.

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

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

Sd/-

**Mangesh S. Joshi**  
(DIN: 07244555)  
Whole Time Director

Date: 9<sup>th</sup> May 2017  
Place: Pune

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**COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

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**To The members of G. G. Dandekar Machine Works Limited**

We have examined the compliance of conditions of Corporate Governance by G.G. DANDEKAR MACHINE WORKS LIMITED ("the Company") for the year ended 31<sup>st</sup> March, 2017 as per the relevant provisions of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

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

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

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

**For KANJ & ASSOCIATES,**  
Company Secretaries

Sd/-  
**MAHESH A. ATHAVALE**  
Partner  
FCS No. 2412  
CP No. 1488

Place: Pune  
Date: 9<sup>th</sup> May 2017



# G. G. DANDEKAR MACHINE WORKS LIMITED

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## Independent Auditor's Report

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

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of G. G. Dandekar Machine Works Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by sub-section 3 of Section 143 of the Act, we report that :
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules.
  - e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note C-1 to the financial statements;
    - ii. The company did not have any long term contract including derivative contract for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company;
    - iv. The Company has provided the disclosure regarding Specified Bank Notes (SBN) in Note No. C- 9 to the Financial Statements as per notification no. GSR 308(E) dated 30<sup>th</sup> March, 2017 issued by the Ministry of Corporate Affairs and these are in accordance with the books of account maintained by the Company.

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

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

Place : Pune  
Date : 09.05.2017

# G. G. DANDEKAR MACHINE WORKS LIMITED

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## Annexure A to Independent Auditor's Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The Company has physically verified all of its fixed assets during the year. No material discrepancies have been noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note A-11 to the standalone financial statements, are held in the name of the Company, except land located at Plot no. 59, Dandekarwadi, Bhiwandi.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to information and explanations given to us, the Company has not given loans, made investments or given guarantees which are covered by the provisions of Section 185 and Section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and records of the company examined by us, the company generally is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, service tax, value added tax, cess and any other material statutory dues with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable;
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, value added tax, Service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this report.
- (viii) The Company has not defaulted in repayment of loans or borrowings to the banks. The Company does not have any loans or borrowings from any financial institution or Government, nor has it issued any debentures, as at the balance sheet date.
- (ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations give to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

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

Place : Pune  
Date : 09.05.2017

#### ANNEXURE – I

Statute	Forum with Dispute is pending	Amount (` in Lacs)
Income Tax Act, 1961	High Court (Mumbai)	394.34
Income Tax Act, 1961	Commissioner of Income Tax (Appeals)	41.15
Income Tax Act, 1961	Assistant Commissioner of Income Tax	583.29
Income Tax Act, 1961	Deputy Commissioner of Income Tax	14.62
Wealth Tax Act, 1957	Commissioner of Wealth Tax (Appeals)	22.64
Maharashtra Value Added Tax, 2002	Deputy Commissioner of Sales Tax	259.71
Maharashtra Value Added Tax, 2002	Commissioner of Sales Tax	157.36

## ANNEXURE–B to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of G. G. Dandekar Machine Works Limited ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting

#### Meaning of Internal Financial Controls Over Financial Reporting

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

#### Inherent Limitations of Internal financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

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

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

Place : Pune  
Date : 09.05.2017

**G. G. DANDEKAR MACHINE WORKS LIMITED**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

Sr.No.	PARTICULARS	Note No.	AS AT 31.03.2017		AS AT 31.03.2016	
			₹	₹	₹	₹
<b>A.</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1.</b>	<b>Shareholders' funds</b>					
	(a) Share Capital	A-1	4,761,387		4,761,387	
	(b) Reserves and Surplus	A-2	138,278,705	<b>143,040,092</b>	164,027,135	<b>168,788,522</b>
<b>2.</b>	<b>Non- Current Liabilities</b>					
	(a) Long Term Borrowings	A-3	-		-	
	(b) Deferred Tax Liabilities (Net)	A-4	4,531,310		4,105,686	
	(c) Other Long Term Liabilities	A-5	106,000		117,000	
	(d) Long Term Provisions	A-6	372,095	<b>5,009,405</b>	1,009,771	<b>5,232,457</b>
<b>3.</b>	<b>Current Liabilities</b>					
	(a) Short Term Borrowings	A-7	20,241,846		19,982,201	
	(b) Trade Payables	A-8	28,227,227		27,224,341	
	(c) Other Current Liabilities	A-9	31,007,057		16,841,690	
	(d) Short Term Provisions	A-10	9,168,247	<b>88,644,377</b>	21,449,470	<b>85,497,702</b>
				<b>236,693,874</b>		<b>259,518,681</b>
	<b>ASSETS</b>					
<b>1.</b>	<b>Non-Current Assets</b>					
	(a) Fixed Assets	A-11				
	(i) Tangible Assets		138,907,911		151,307,137	
	(ii) Intangible Assets		899,771		1,206,303	
	(b) Non-Current Investments	A-12	39,650,439		39,640,439	
	(c) Long-Term Loans and Advances	A-13	1,108,993	<b>180,567,114</b>	2,854,199	<b>195,008,078</b>
<b>2.</b>	<b>Current Assets</b>					
	(a) Inventories	A-14	21,266,603		21,694,800	
	(b) Trade Receivables	A-15	1,600,584		1,506,244	
	(c) Cash & Cash Equivalents	A-16	3,796,025		6,107,770	
	(d) Short Term Loans & Advances	A-17	13,778,418		14,063,769	
	(e) Other Current Assets	A-18	15,685,130	<b>56,126,760</b>	21,138,020	<b>64,510,603</b>
				<b>236,693,874</b>		<b>259,518,681</b>
	<b>Notes to Accounts</b>	<b>Part B &amp; C</b>				

As per our report of even date attached

For and on behalf of the Board of Directors

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

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133  
Place : Pune  
Date : 09.05.2017

Sd/-  
**Saurabh Somani**  
Company Secretary

Sd/-  
**Sanket Gunjekar**  
Chief Financial Officer

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

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

# G. G. DANDEKAR MACHINE WORKS LIMITED

## G. G. DANDEKAR MACHINE WORKS LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Sr.No.	PARTICULARS	Note No.	2016-17		2015-16	
			₹	₹	₹	₹
<b>I</b>	<b>INCOME</b>					
1	Revenue from Operations	A-19	125,164,113		105,352,997	
2	Other Income	A-20	3,181,991	128,346,104	23,932,474	129,285,471
<b>II</b>	<b>EXPENSES</b>					
1	Cost of Materials Consumed	A-21	73,741,872		60,098,485	
2	Changes In Inventories (Of Work In Progress & Stock-in-trade)	A-22	(635,584)		(1,061,302)	
3	Employee Benefits	A-23	32,152,060		34,572,299	
4	Finance Costs	A-24	2,706,853		2,413,148	
5	Depreciation and Amortization Expenses	A-11	13,265,017		15,059,258	
6	Selling & Distribution Expenses	A-25	9,481,786		8,721,805	
7	Other Expenses	A-26	22,956,907		51,702,558	
				153,668,910		171,506,251
<b>III</b>	<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>			<b>(25,322,806)</b>		<b>(42,220,780)</b>
	Less/(Add): Exceptional Items			-		-
<b>IV</b>	<b>Profit/(Loss) Before Tax</b>			<b>(25,322,806)</b>		<b>(42,220,780)</b>
	Less: Tax expenses:					
1	Current tax			-		-
2	Tax relating to prior period			-		(592,697)
3	Deferred tax			425,624		286,392
<b>V</b>	<b>Profit/ (Loss) After Tax</b>			<b>(25,748,430)</b>		<b>(41,914,475)</b>
	<b>Earnings per equity share:</b>					
	Basic & Diluted			<b>(5.41)</b>		<b>(8.80)</b>
	<b>Notes to Accounts</b>	<b>Part B &amp; C</b>				

As per our report of even date attached

For and on behalf of the Board of Directors

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

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133  
Place : Pune  
Date : 09.05.2017

Sd/-  
**Saurabh Somani**  
Company Secretary

Sd/-  
**Sanket Gunjkar**  
Chief Financial Officer

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

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



**G. G. DANDEKAR MACHINE WORKS LIMITED**  
**CASHFLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

PARTICULARS	For the Year Ended on 31.03.17	For the Year Ended on 31.03.16
	₹	₹
<b>Cash Flow from Operating Activities</b>		
<b>Profit before Tax (PBT)</b>	<b>(25,322,806)</b>	<b>(42,220,780)</b>
Adjustments for:		
Depreciation and Amortisation	13,265,017	15,059,258
Interest paid	2,706,853	2,413,148
Dividend Received	(2,514,264)	(2,687,334)
Interest Received	(145,458)	-
Foreign Exchange (Gain) / Loss	(15,120)	-
(profit)/loss on sale of Assets	(171,934)	(1,153,895)
(profit)/loss on sale of Investments	-	(19,630,144)
Sundry Credit Balances Written Back	-	(57,907)
Sundry Debit Balances Written off	161	5,724,999
Provision for bad & doubtful debts / Bad debts	971,853	2,466,000
Provision for sales tax liability	-	17,700,000
Provision for warranty	554,101	529,500
Fixed assets written off	-	492,546
Provision for Differential Gratuity	536,540	812,453
	<b>15,187,749</b>	<b>21,668,624</b>
<b>Operating Profit Before Working Capital changes</b>	<b>(10,135,057)</b>	<b>(20,552,156)</b>
Adjustments for:		
Trade & Other Receivables	5,814,375	(7,596,780)
Inventories	428,197	(1,941,984)
Trade & Other Payables	2,263,224	11,747,003
	<b>8,505,796</b>	<b>2,208,239</b>
<b>Cash Generated from Operations</b>	<b>(1,629,261)</b>	<b>(18,343,917)</b>
Direct Taxes	-	-
<b>Cash Used in Operating Activities (A)</b>	<b>(1,629,261)</b>	<b>(18,343,917)</b>
<b>Cash Flow from Investment Activities</b>		
Purchase of Fixed Assets	(577,043)	(3,595,469)
Sale of Fixed Assets	189,718	1,200,174
Sale of Investments	-	23,573,647
Purchase of Investments	(10,000)	-
Dividend received	2,514,264	2,687,334
Interest Received	145,458	-
<b>Cash Generated From Investing Activities (B)</b>	<b>2,262,397</b>	<b>23,865,686</b>
<b>Cash Flow from Financing Activities</b>		
Long Term Borrowings	-	(68,934)
Short Term Borrowings	259,645	142,725
Foreign Exchange Gain / (Loss)	15,120	-
Interest paid	(2,706,853)	(2,413,148)
<b>Cash Used In Financial Activities (C)</b>	<b>(2,432,088)</b>	<b>(2,339,357)</b>
Net Increase / (Decrease) In Cash and Cash Equivalent (A+B+C)	<b>(1,798,952)</b>	<b>3,182,412</b>
Cash & Cash Equivalents :(Opening Balances)	<b>5,009,821</b>	<b>1,827,409</b>
Cash & Cash Equivalents :(Closing Balances)*	<b>3,210,869</b>	<b>5,009,821</b>

\* Excludes ₹ 585,156/- (PY ₹ 10,97,949/-) on account of unclaimed dividend.

As per our report of even date attached

For and on behalf of the Board of Directors

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

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133  
Place : Pune  
Date : 09.05.2017

Sd/-  
**Saurabh Somani**  
Company Secretary

Sd/-  
**Sanket Gunjekar**  
Chief Financial Officer

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

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



# G. G. DANDEKAR MACHINE WORKS LIMITED

## G. G. DANDEKAR MACHINE WORKS LIMITED

### NOTES TO ACCOUNTS (Part A) :

Note No.	PARTICULARS	AS AT 31.03.2017		AS AT 31.03.2016	
		No. of Shares	₹	No. of Shares	₹
A-1.0	<b>SHARE CAPITAL</b>				
	<b>AUTHORISED</b> Equity Shares of ₹ 1/- each	20,000,000	20,000,000	20,000,000	20,000,000
	<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b> Equity Shares of ₹ 1/- each fully paid up	4,761,387	4,761,387	4,761,387	4,761,387
A-1.1	<b>Reconciliation of shares :</b> The Company has neither issued nor bought back any shares in the capital of the company during the year.				
A-1.2	<b>Rights, preferences and restrictions attached to equity shares :</b> The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013.				
A-1.3	<b>Details of shares held by each shareholder holding more than 5% shares:</b>				
	<b>PARTICULARS</b>	<b>AS AT 31.03.2017</b>		<b>AS AT 31.03.2016</b>	
	<b>Name of the Shareholder</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
	a) Atul C. Kirloskar *	560,780	11.78%	560,780	11.78%
	b) Rahul C. Kirloskar *	549,820	11.55%	549,820	11.55%
	c) Arti A. Kirloskar	400,000	8.40%	400,000	8.40%
	d) Alpana R. Kirloskar	400,000	8.40%	400,000	8.40%
	e) Gautam A. Kulkarni	554,280	11.64%	554,280	11.64%
	f) Jyotsna G. Kulkarni	400,000	8.40%	400,000	8.40%
	g) K. V. Development & Investment Company Pvt. Ltd.	268,664	5.64%	268,664	5.64%
	*In addition to above, Atul C. Kirloskar and Rahul C. Kirloskar are holding 360 shares each as Karta of Atul C. Kirloskar HUF and Rahul C. Kirloskar HUF respectively.				
Note No.	PARTICULARS	AS AT 31.03.2017		AS AT 31.03.2016	
		₹	₹	₹	₹
A-2.0	<b>RESERVES &amp; SURPLUS</b>				
	<b>a) General Reserve</b> Balance as per last Financial Statement Add: Transferred from Surplus in Statement of Profit & Loss A/c during the year	97,760,971 -	97,760,971	97,760,971 -	97,760,971
	<b>b) Surplus in Statement of Profit &amp; Loss</b> Balance as per last Financial Statement Add :Profit /(Loss) for the year as per Statement of Profit & Loss A/c	66,266,164 (25,748,430) 40,517,734		108,180,639 (41,914,475) 66,266,164	
	<b>Less : Appropriations</b> Transferred to General Reserve	-	40,517,734	-	66,266,164
	<b>Balance at the end of the year</b>		138,278,705		164,027,135

## G. G. DANDEKAR MACHINE WORKS LIMITED

Note No.	PARTICULARS	AS AT 31.03.2017		AS AT 31.03.2016	
		Non Current	Current Maturities	Non Current	Current Maturities
		₹	₹	₹	₹
<b>A-3.0</b>	<b>LONG TERM BORROWINGS</b>				
	Term Loans (Secured):				
	From Banks	-	-	-	49,396
	Less: Considered under Note No. A-9 below.	-	-	-	(49,396)
		-	<b>0.00</b>	-	<b>0.00</b>
<b>A-3.1</b>	<b>Out of the Term Loans From Banks :</b>				
	a) Term loan amounting to ₹ 49,396/- which was outstanding as on 31 <sup>st</sup> March 2016 was secured by vehicle purchased out of the said term loan. This term loan is fully repaid in current financial year.				
Note No.	PARTICULARS	AS AT 31.03.2017		AS AT 31.03.2016	
		₹		₹	
<b>A-4.0</b>	<b>DEFERRED TAX ASSETS/LIABILITIES (NET)</b>				
	Deferred Tax Liability (On account of timing difference in depreciation)		4,531,310		4,105,686
			<b>4,531,310</b>		<b>4,105,686</b>
<b>A-5.0</b>	<b>OTHER LONG TERM LIABILITIES</b>				
	Trade & Security Deposits		<b>106,000</b>		<b>117,000</b>
			<b>106,000</b>		<b>117,000</b>
<b>A-6.0</b>	<b>LONG TERM PROVISIONS</b>				
	Provisions for Employee Benefits				
	Leave Encashment		<b>372,095</b>		<b>1,009,771</b>
			<b>372,095</b>		<b>1,009,771</b>

# G. G. DANDEKAR MACHINE WORKS LIMITED

## G. G. DANDEKAR MACHINE WORKS LIMITED

Note No.	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
		₹	₹
<b>A-7.0</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>From Banks</b>		
	<b>Secured</b>		
	Cash Credit Account	20,241,846	19,982,201
	<b>TOTAL</b>	<b>20,241,846</b>	<b>19,982,201</b>
<b>A-7.1</b>	Cash Credit amounting to ₹ 20,241,846/- (Previous Year ₹ 19,982,201/-) is secured by hypothecation of inventory and book debts and collaterally secured by mortgage of land and building of the company at Nagpur.		
Note No.	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
		₹	₹
<b>A-8.0</b>	<b>TRADE PAYABLES</b>		
	Under MSMED Act, 2006	1,874,744	-
	Others for Goods and Services	26,352,483	27,224,341
		<b>28,227,227</b>	<b>27,224,341</b>
<b>A-9.0</b>	<b>OTHER CURRENT LIABILITIES</b>		
	a) Current Maturities of Long Term Borrowings		
	From Banks	-	49,396
	b) Expenses Payable	16,554,998	8,027,570
	c) Other Payable	8,358,539	2,211,368
	d) Advance from Customers	5,134,052	5,508,562
	e) Ex-gratia & Superannuation Payable	959,468	1,044,794
		<b>31,007,057</b>	<b>16,841,690</b>
<b>A-10.0</b>	<b>SHORT TERM PROVISIONS</b>		
	Provision for Employee Benefits		
	Leave Encashment	156,758	113,112
	Gratuity	853,902	311,603
	Other Provisions		
	Sales tax (Refer note no. C-10)	7,619,024	20,495,255
	Warranty (Refer note no. C-8)	538,563	529,500
		<b>9,168,247</b>	<b>21,449,470</b>

## G. G. DANDEKAR MACHINE WORKS LIMITED

## NOTE NO - A-11.0 FIXED ASSETS SCHEDULE

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As on 01.04.2016 ₹	Additions during the Year ₹	Deductions during the Year ₹	Write off during the Year ₹	Total as on 31.03.2017 ₹	Written off in Previous yrs (till last yr) ₹	Deductions during the Year ₹	Write off during the Year ₹	For the Year ₹	Total as on 31.03.2017 ₹	As on 31.03.2017 ₹	As on 31.03.2016 ₹
<b>TANGIBLE ASSETS</b>												
FREEHOLD LAND	46,852	-	-	-	46,852	-	-	-	-	-	46,852	46,852
LEASEHOLD LAND	23,703,452	-	-	-	23,703,452	1,602,719	-	253,061	1,855,780	21,847,672	22,100,733	22,100,733
FACTORY BUILDING	75,838,951	-	-	-	75,838,951	26,157,204	-	4,711,156	30,868,360	44,970,591	49,681,747	49,681,747
OTHER BUILDING	65,795,619	-	-	-	65,795,619	12,833,248	-	2,668,760	15,502,008	50,293,611	52,962,371	52,962,371
PLANT & MACHINERY	45,321,655	-	425,620	-	44,896,035	24,365,760	408,636	-	27,837,654	17,058,381	20,955,895	20,955,895
PATTERNS, JIGS & MOULDS	4,236,585	447,263	-	-	4,683,848	1,125,950	-	593,872	1,719,822	2,964,026	3,110,635	3,110,635
COMPUTER MACHINERY	6,269,660	27,800	-	-	6,297,460	5,829,154	-	168,410	5,997,564	299,896	440,506	440,506
FURNITURE, FIXTURE & OFFICE EQUIPMENTS	5,526,830	101,980	15,990	-	5,612,820	3,690,965	15,190	-	4,295,251	1,317,569	1,835,865	1,835,865
VEHICLES	974,795	-	-	-	974,795	802,262	-	63,220	865,482	109,313	172,533	172,533
<b>INTANGIBLE ASSET</b>												
COMPUTER SOFTWARE	3,583,207	-	-	-	3,583,207	2,376,904	-	306,532	2,683,436	899,771	1,206,303	1,206,303
<b>TOTAL</b>	<b>231,297,606</b>	<b>577,043</b>	<b>441,610</b>	<b>-</b>	<b>231,433,039</b>	<b>78,784,166</b>	<b>423,826</b>	<b>-</b>	<b>13,265,017</b>	<b>91,625,357</b>	<b>139,807,682</b>	<b>152,513,440</b>
Previous Year	233,114,374	3,595,469	877,544	4,534,693	231,297,606	68,598,320	831,265	4,042,147	15,059,258	78,784,166	152,513,440	164,516,054

Note: Out of above assets, the Company has classified certain Land, Building and Vehicle having Net block value of ₹ 6.92 lakhs as 'Assets held for sale'.

# G. G. DANDEKAR MACHINE WORKS LIMITED

## G. G. DANDEKAR MACHINE WORKS LIMITED

Note No.	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
		₹	₹
A-12.0	<b>INVESTMENTS</b>		
A-12.1	<b>NON CURRENT INVESTMENTS</b>		
	<b>A) INVESTMENTS IN EQUITY INSTRUMENTS (VALUED AT COST)</b>		
	<b>I) Trade, Unquoted and fully paid up</b>	<b>20,000</b>	<b>10,000</b>
a)	1,000 (Previous Year 1,000) Equity Shares of ? 10/- each in Saraswat Co operative bank Limited.	10,000	10,000
b)	1,000 (Previous year Nil) Equity Shares of ? 10/- each in S. L. Kirloskar CSR Foundation	10,000	-
	<b>II) Non Trade, Quoted and fully paid up</b>	<b>39,630,439</b>	<b>39,630,439</b>
a)	20,662 (Previous Year 20,662) Equity Shares of ? 2/- each in Gujarat Gas Limited [Market Value ? 15,858,085/- (Previous Year ? 11,354,802/-)]	2,742,326	2,742,326
b)	58,275 (Previous Year 58,275) Equity Shares of ? 10/- each in Indraprastha Gas Limited [Market Value ? 59,055,885 (Previous Year ? 33,184,699/-)]	7,038,671	7,038,671
c)	49,950 (Previous Year 49,950) Equity Shares of ? 1/- each in Marico Limited [Market Value ? 14,702,783/- (Previous Year ? 12,112,875/-)]	1,283,316	1,283,316
d)	540 (Previous Year 540) Equity Shares of ? 10/- each in Marico Kaya Enterprise Limited [Market Value ? 420,390/- (Previous Year ? 4,64,940/-)]	243,487	243,487
e)	6,951 (Previous Year 6,951) Equity Shares of ? 10/- each in Lakshmi Machine Works Limited [Market Value ? 29,327,659/- (Previous Year ? 23,182,975/-)]	5,501,040	5,501,040
f)	7,200 (Previous Year 7,200) Equity Shares of ? 10/- each in ICRA Limited [Market Value ? 29,465,280/- (Previous Year ? 27,900,000/-)]	3,259,444	3,259,444
g)	16,650 (Previous Year 16,650) Equity Shares of ? 10/- each in CRISIL Limited [Market Value ? 31,714,087 (Previous Year ? 29,973,330/-)]	4,232,026	4,232,026
h)	1,67,220 (Previous Year 1,67,220 Equity Shares of ?10/- each) Equity Shares of ? 2/- each in Gruh Finance Limited [Market Value ? 66,177,315/- (Previous Year ? 39,990,663/-)]	3,242,792	3,242,792
i)	4,320 (Previous Year 4,320) Equity Shares of ? 10/- each in Bajaj Holdings & Investments limited [Market Value ? 9,381,312/- (Previous Year ? 6,311,520/-)]	3,191,038	3,191,038
j)	4,495 (Previous Year 4,495) Equity Shares of ? 10/- each in Bajaj Auto Limited [Market Value ? 12,619,712/- (Previous Year ? 10,815,420/-)]	5,806,344	5,806,344
k)	44,120 (Previous Year 11,655) Equity Shares of ? 10/- each in Balmer lawrie & Company Limited [Market Value ? 10,392,466/- (Previous Year ? 6,322,948/-)]	3,089,955	3,089,955
	<b>TOTAL</b>	<b>39,650,439</b>	<b>39,640,439</b>

Sr. No.	PARTICULARS	AS AT 31.03.2017		AS AT 31.03.2016	
		Cost	Market Value	Cost	Market Value
		₹	₹	₹	₹
1	Aggregate Value of Non Trade & Quoted Investment	39,630,439	279,114,974	39,630,439	201,614,171
2	Aggregate Value of Trade & Unquoted Investment	20,000	20,000	10,000	10,000
	<b>Total</b>	<b>39,650,439</b>	<b>279,134,974</b>	<b>39,640,439</b>	<b>201,624,171</b>

## G. G. DANDEKAR MACHINE WORKS LIMITED

Note No.	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
		₹	₹
A-13.0	<b>LONG TERM LOANS AND ADVANCES</b>		
	(Un-secured and considered good) Security Deposits	1,108,993	2,854,199
		<b>1,108,993</b>	<b>2,854,199</b>
A-14.0	<b>INVENTORIES</b>		
	a) Raw Materials (at cost, net of provision)	9,262,715	10,326,497
	b) Work-in-progress (at cost or net realisable value, whichever is lower)	2,713,598	4,016,805
	c) Finished Goods (at cost or net realisable value, whichever is lower)	9,290,290	7,351,498
		<b>21,266,603</b>	<b>21,694,800</b>
A-15.0	<b>TRADE RECEIVABLES</b>		
	(Unsecured and considered good)		
	Debts Outstanding for a period exceeding six months	9,099,296	7,830,430
	Other debts	229,393	1,403,919
	Less : Provision for bad & doubtful debts	(7,728,105)	(7,728,105)
		<b>1,600,584</b>	<b>1,506,244</b>
A-16.0	<b>CASH AND CASH EQUIVALENTS</b>		
	a) Cash in hand	29,945	11,756
	b) Balances with Banks		
	In Current Accounts	3,180,924	4,998,065
	In Unpaid Dividend Accounts	585,156	1,097,949
		<b>3,796,025</b>	<b>6,107,770</b>
A-17.0	<b>SHORT TERM LOANS AND ADVANCES</b>		
	(Unsecured and considered good)		
	a) Advances to suppliers	389,696	585,122
	b) Advance Income Tax (Including TDS ) (Net of Provision for Tax)	13,388,722	13,478,647
		<b>13,778,418</b>	<b>14,063,769</b>
A-18.0	<b>OTHER CURRENT ASSETS</b>		
	a) Receivable against Sale of Land	10,687,634	10,687,634
	Less: Provision for doubtful receivables (Refer note no. C-9)	(2,400,000)	(2,400,000)
		<b>8,287,634</b>	<b>8,287,634</b>
	b) Prepaid Expenses	349,633	531,340
	c) Other Receivables	7,047,863	12,319,046
		<b>15,685,130</b>	<b>21,138,020</b>

# G. G. DANDEKAR MACHINE WORKS LIMITED

## G. G. DANDEKAR MACHINE WORKS LIMITED

Note No.	PARTICULARS	2016-17	2015-16
		₹	₹
A-19.0	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Products*	121,603,343	105,111,971
	Other Operating Revenue	3,560,770	241,026
		<b>125,164,113</b>	<b>105,352,997</b>
	* Company's products are exempt from Excise Duty		
A-20.0	<b>OTHER INCOME</b>		
	a) Interest Received on Fixed Deposits	145,458	-
	b) Other Interest Received	-	202,992
	c) Profit on Sale of Fixed Assets	171,934	1,153,895
	d) Advances from customers written back	-	57,907
	e) Dividend	2,514,264	2,687,334
	f) Profit on Sale of Investment (Net)	-	19,630,144
	g) Foreign Exchange Gain	15,120	-
	h) Miscellaneous Income	335,215	200,202
		<b>3,181,991</b>	<b>23,932,474</b>

## G. G. DANDEKAR MACHINE WORKS LIMITED

Note No.	PARTICULARS	2016-17		2015-16	
		₹	₹	₹	₹
A-21.0	<b>COST OF MATERIALS CONSUMED</b>				
	a) Raw Materials				
	Opening Stock	10,326,496		9,445,814	
	Add : Purchases	72,678,090		60,979,167	
		<b>83,004,587</b>		<b>70,424,981</b>	
	Less : Closing Stock	9,262,715		10,326,496	
		<b>9,262,715</b>		<b>10,326,496</b>	
			<b>73,741,872</b>		<b>60,098,485</b>
A-22.0	<b>CHANGES IN INVENTORIES OF WORK IN PROGRESS &amp; FINISHED GOODS</b>				
	OPENING STOCK				
	Work-in-progress	4,016,805		2,449,816	
	Finished Goods	7,351,499		7,857,185	
		<b>11,368,304</b>		<b>10,307,001</b>	
	<b>Less: CLOSING STOCK</b>				
	Work-in-progress	2,713,598		4,016,805	
	Finished Goods	9,290,290		7,351,498	
		<b>12,003,888</b>		<b>11,368,303</b>	
	(INCREASE) / DECREASE		<b>(635,584)</b>		<b>(1,061,302)</b>
A-23.0	<b>EMPLOYEE BENEFIT EXPENSES</b>				
	a) Salaries, Wages, Bonus & Other Allowances	28,316,245		30,224,032	
	b) Gratuity	536,540		812,453	
	c) Contribution to PF / ESI & Other Funds	839,126		889,897	
	d) Staff/Labour Welfare	2,460,149		2,645,917	
			<b>32,152,060</b>		<b>34,572,299</b>



# G. G. DANDEKAR MACHINE WORKS LIMITED

## G. G. DANDEKAR MACHINE WORKS LIMITED

Note No.	PARTICULARS	2016-17		2015-16	
		₹	₹	₹	₹
A-24.0	<b>FINANCE COSTS</b>				
	a) Interest to Banks		2,706,853		2,413,148
			<b>2,706,853</b>		<b>2,413,148</b>
A-25.0	<b>SELLING &amp; DISTRIBUTION EXPENSES</b>				
	a) Commission on sales		6,503,118		5,993,091
	b) Sales Promotion		625,857		540,420
	c) Warranty		554,101		529,500
	d) Carriage Outward		1,798,710		1,658,794
			<b>9,481,786</b>		<b>8,721,805</b>
A-26.0	<b>OTHER EXPENSES</b>				
	a) Rent		461,017		487,260
	b) Rates & Taxes		2,712,663		20,489,260
	c) Power & Fuel		1,658,613		2,193,704
	d) Insurance charges		746,294		820,398
	e) After Sales Service Charges		1,231,000		477,810
	f) Repairs & Maintenance				
	g) Building	121,196		39,879	
	i) Plant & Machinery	48,953		78,670	
	ii) Other Assets	904,155	1,074,304	1,408,909	1,527,458
	iii) Payment to Auditors				
	h) Statutory Audit fees	373,616		372,125	
	i) Tax Audit Fees	86,943		85,500	
	ii) Out of Pocket Expenses	64,535	525,094	193,393	651,018
	iii) Travelling & Conveyance		5,170,450		4,641,786
	i) Communication Expenses		621,060		704,554
	j) Legal & Professional Fees		4,015,912		4,973,555
	k) Directors Sitting Fees		200,000		285,000
	l) Security Expenses		1,915,194		2,170,885
	m) Office & Miscellaneous Expenses		1,653,292		3,596,325
	n) Bad Debt Expenses		161		5,724,999
	o) Provision / Sundry Balances written off		971,853		66,000
p) Provision for receivable against sale of land (Refer note no. C-9)		-		2,400,000	
q) Fixed Assets written off		-		492,546	
			<b>22,956,907</b>		<b>51,702,558</b>

**Note B: NOTES FORMING PART OF ACCOUNTS- SIGNIFICANT ACCOUNTING POLICIES:****1. Method of accounting:**

These Financial Statements have been prepared under the historical cost convention on accrual basis, in accordance with the Generally Accepted Accounting Principles in India (GAAP), which includes mandatory accounting standards as prescribed u/s.133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and in compliance with the provisions of the Act to the extent notified. The accounting policies discussed below are consistent with those used in the previous year, unless otherwise stated.

**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 costs relating to acquisition of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

**4. Depreciation and Amortization:**

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

**5. Investments:**

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

**6. Inventories:**

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

**7. Foreign Currency Transactions:**

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

**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 II of the Companies Act, 2013.

**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 completion of contractual obligations.
- 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 expenses:**

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

### 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:

a) 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.

b) 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.

c) Deferred tax assets for tax loss and depreciation carried forward are recognized to the extent that the realization of the related tax benefit through the future taxable profits is virtually certain and is supported by convincing evidence that sufficient future taxable profits can be realized.

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

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

#### a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:

- i. The company has a present obligation as a result of past event,
- ii. The probable outflow of resources is expected to settle the obligation, and
- iii. The amount of obligation can be reliably estimated.

#### b) Contingent liabilities are disclosed in the case of:

- i. 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.
- ii. A possible obligation unless the probability of outflow of resources is remote.

#### c) 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.

**Note C: NOTES FORMING PART OF ACCOUNTS- Other Notes****1. Contingent Liabilities not provided for:****(Amount in ` )**

Sr.No.	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
A.	Disputed Liabilities in respect of Income Tax	106,374,019	106,374,019
B.	Disputed Liabilities in respect of Sales Tax	38,058,487	50,235,938
C.	Disputed Liabilities in respect of Wealth Tax	2,263,846	2,263,846
D.	Receivable in respect of sale of land in previous years**	8,287,634	8,287,634
	** Apart from this certain parties have either filed cases against the company or the Company has been made a party in respect of certain transactions relating to sale of land. The Company has been legally advised that it is in a position to defend its stand and does not expect any material financial liability.		

1. 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.
2. Related parties, as defined under clause 3 of Accounting Standard (AS 18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.
  - a) Key Management Personnel:
    - i. Mangesh S. Joshi - Executive Director  
Relatives of Key Management Personnel:  
Wife: Ruchira M. Joshi  
Son: Mayank M. Joshi  
Daughter: Mihika M. Joshi
    - ii. Sanket S. Gunjekar- Chief Financial Officer  
Relatives of Key Management Personnel:  
Wife: Pooja S. Gunjekar  
Son: Aaditya S. Gunjekar
    - iii. Saurabh S. Somani - Company Secretary  
Relatives of Key Management Personnel:  
Wife: Bhagyashree S. Somani
  - b) Enterprise in which Directors are interested:
    - i. DoYourCompliance Solutions Pvt. Ltd. (previously known as Vasudha IT Solutions Private Limited)
    - ii. Kloudq Technologies Ltd. (previously known as Kloudworks Consulting Services Limited)

**Details of transactions during the year with Related Party:****(Amount in ` )**

Sr. No.	PARTICULARS	Key Management Personnel	Enterprise in which Directors are interested
1.	Remuneration to Executive Director & Key Managerial Personnel:		
	Mangesh S. Joshi	4,944,389 (2,952,576)	-
	Sanket S. Gunjekar	816,434 (613,417)	-
	Saurabh S. Somani	463,659 (440,495)	-
	*Remuneration excludes statutory contributions made by Company such as Gratuity, PF, etc.		
2.	Software Subscription charges	-	363,630 (192,784)
3	During the Financial Year under review, the Company has acquired 1,000 equity shares of S. L. Kirloskar CSR Foundation at the face value Rs. 10/- each in tranches of 200 equity shares each from the following Companies:		
	A. Kirloskar Industries Limited		
	B. Kirloskar Oil Engines Limited		
	C. Kirloskar Ferrous Industries Limited		
	D. Kirloskar Chillers Private Limited		
	E. Kirloskar Pneumatic Company Limited		

(Figures in bracket relate to Previous Year)

## G. G. DANDEKAR MACHINE WORKS LIMITED

### 4. Defined Benefit Plans for Employees (AS 15)

A. As per actuarial valuation as on March 31, 2017 and recognised in financial statements in respect of Gratuity Schemes:

Sr. No.	PARTICULARS	F.Y. 2016-17	F.Y. 2015-16
		-	-
<b>I</b>	<b>Components of Employer expenses</b>		
A	Current service cost	401,900	309,829
B	Interest Cost	174,995	163,794
C	Expected Return on Plan Assets	(154,757)	(230,987)
D	Actuarial (Gain) / Loss	114,402	569,817
E	Total Expense recognised in the Profit and Loss Account	536,540	812,453
<b>II</b>	<b>Net Assets / (Liability) recognised in Balance Sheet as at 31<sup>st</sup> March 2017</b>		
A	Present Value of Obligation	2,333,740	2,758,598
B	Fair Value of Plan Assets	1,479,551	2,446,995
C	(Asset) / Liability recognised in the Balance Sheet	(854,189)	(311,603)
<b>III</b>	<b>Change in Gratuity Obligation during the year</b>		
A	Present Value of Obligation at beginning of the period	2,758,598	2,366,419
B	Current Service Cost	401,900	309,829
C	Interest Cost	174,995	163,794
D	Actuarial (Gain) / Loss	140,556	504,710
E	Benefit Paid	(1,142,309)	(586,154)
F	Present Value of Obligation as at end of the period	2,333,740	2,758,598
<b>IV</b>	<b>Changes in Fair value of Plan Assets</b>		
A	Present Value of Plan Assets as at beginning of the period	2,446,995	2,851,931
B	Expected Return on Plan Assets	154,757	230,987
C	Actual Company Contribution	-	15,338
D	Mortality Charges and Taxes	(6,046)	-
E	Benefits Paid	(1,142,309)	(586,154)
F	Actuarial Gain / (Loss)	26,154	(65,107)
G	Present Value of Obligation as at end of the period	14,79,551	24,46,995
<b>V</b>	<b>Actuarial Assumption</b>		
A	Discount Rate	6.80%	8.00%
B	Rate of increase in compensation levels	5.00%	5.00%
C	Rate of Return on Plan Assets	8.25%	9.00%
D	Expected Average remaining working lives of employees (Years)	19.67	20.90

B. As per actuarial valuation as on March 31, 2017 and recognized in financial statements in respect of Leave Wages :

Sr. No.	PARTICULARS	(Amount in ` )
I	Present Value of Obligation	528,853
II	Fair Value of Plan Assets	-
III	(Asset) / Liability recognised in the Balance Sheet	528,853

5. As required by 'Accounting Standard 22- Accounting for Taxes on income' issued by The Institute of Chartered Accountants of India, which is mandatory in nature, the company has recognized deferred tax liability of ₹ 4,25,624/-, which results from timing differences between book profits and tax profits for the year.

(Amount in ` )

PARTICULARS	As at 31.03.2016	Reversed During the year	Arising During the year	As at 31.03.2017
Deferred Tax Assets	Nil	Nil	Nil	Nil
Deferred Tax Liabilities	4,105,686	Nil	425,624	4,531,310
Net Effect	4,105,686	Nil	425,624	4,531,310

6. Additional information pursuant to the provisions of General Instructions of Part II of Revised Schedule III to the Companies Act, 2013.

a. Details of Raw Material consumed

Sr. No.	Particulars	2016-17	2015-16
		( ` )	( ` )
i.	Iron and Steel Materials	37,160,479	31,470,638
ii.	Wood	2,482,788	2,287,958
iii.	Bearing	2,349,600	1,824,873
iv.	Electric Motors and Spares	7,960,966	2,402,496
v.	Bought Out Finished Goods	17,471,734	15,145,076
vi.	Others Stores	5,680,721	2,109,166
	<b>Total</b>	<b>73,106,287</b>	<b>59,037,182</b>

b. Details of Raw Material purchased

Sr. No.	Particulars	2016-17	2015-16
		( ` )	( ` )
i.	Iron and Steel Materials	38,665,265	32,582,748
ii.	Wood	2,374,295	2,033,687
iii.	Bearing	2,102,947	1,841,027
iv.	Electric Motors and Spares	5,300,269	6,085,642
v.	Bought Out Finished Goods	17,616,440	14,642,022
vi.	Others Stores	6,618,874	3,794,041
	<b>Total</b>	<b>72,678,090</b>	<b>60,979,167</b>

c. Value of Import (CIF Basis)

(Amount in ` )

Particulars	2016-17	2015-16
Raw Material	2,764,640	NIL

d. Value of Material Consumed

(Amount in ` )

Sr. No.	Particulars	2016-17	2015-16
I	Value of Imported Materials Consumed (including purchased locally)	1,569,503	-
II	Value of Indigenous Materials Consumed	71,536,784	59,037,182
III	Percentage of Imported Materials consumed to total consumption	2.15%	-
IV	Percentage of Indigenous Materials consumed to total consumption	97.85%	100%

## G. G. DANDEKAR MACHINE WORKS LIMITED

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

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

Particulars	2016-17	2015-16
Profit After Tax (?)	(25,748,430)	(41,914,475)
Weighted average number of Equity shares of Re. 1/- each	4,761,387	4,761,387
Basic & Diluted EPS (?)	(5.41)	(8.80)

### 8. Disclosure as per Accounting Standard 29 'Provisions, Contingent Liabilities and Contingent Assets'.

Details of Warranty provision and its movement during the year

Provision for Warranty	FY 2016-17	FY 2015-16
Carrying amount at the beginning of the year	529,500	-
Additional provision made during the year	554,101	529,500
Amount used during the year	545,038	-
Unused amounts reversed during the year	-	-
Carrying amount at the end of the year	538,563	5,29,500

Provision for Warranty	FY 2016-17	FY 2015-16
Carrying amount at the beginning of the year	20,495,255	-
Additional provision made during the year	1,195,024	20,495,255
Amount used during the year	11,908,795	-
Unused amounts reversed during the year	2,162,460	-
Carrying amount at the end of the year	7,619,024	20,495,255

### 9. Disclosure of 'Specified Bank Notes (SBN)' as required by the notification dated 30<sup>th</sup> March, 2017, issued by the Ministry of Corporate Affairs.

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8th November, 2016	21,000	29,890	50,890
Add: Permitted Receipts	-	270,835	270,835
Less: Permitted Payments	-	275,759	275,759
Less: Amount deposited in banks	21,000	-	-
Closing cash in hand as on 30th December, 2016	-	24,966	24,966

10. Provision for 'receivable against sale of land' made during the year Rs. Nil (previous year ? 2,400,000).

11. In cases where letters of confirmation have been received from parties, book balance have been generally reconciled and adjusted, if required. In other cases, balance in accounts of sundry debtors, sundry creditors and advances or deposits have been taken as per books of account.

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

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Principal Amount due to supplier under MSMED	1,874,744	-
Interest accrued, due to supplier under MSMED Act on the above & unpaid	106,083	-
Payment made to suppliers (other than interest) beyond appointed day during the year	4,070,927	-
Interest paid to suppliers under MSMED Act (other than Sec 16)	-	-
Interest paid to suppliers under MSMED Act (under Sec 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payment already made	106,083	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	106,083	-

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

As per our report of even date attached

For and on behalf of the Board of Directors

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

Sd/-  
**Shantanu Ghanekar**  
Partner  
M.No. 102133  
Place : Pune  
Date : 09.05.2017

Sd/-  
**Saurabh Somani**  
Company Secretary

Sd/-  
**Sanket Gunjkar**  
Chief Financial Officer

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

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



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

Registered Office: 211/A, MIDC, Butibori Industrial Area, Village Kinhi, Tal. Hingana Dist. Nagpur-441122.  
(CIN: L99999MH1938PLC002869)

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

78<sup>th</sup> Annual General meeting on 9<sup>th</sup> August, 2017

PROXY FORM

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

Registered Address .....

E-mail Id.....

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

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

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

as my/our proxy to attend and vote (on a poll) for me /us on my /our behalf at 78<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 9<sup>th</sup> August, 2017 and at any adjournment thereof in respect of following resolutions:

Resolution No.	Resolution	Equity Shares	No. of Optional	
			For	Against
<b>ORDINARY BUSINESS</b>				
1.	Adoption of Statement of Profit & Loss, Balance Sheet, Report of Board of Directors for Financial Year ended 31 <sup>st</sup> March, 2017			
2.	Re-appointment of Mr. Madhav R. Chandrachud, (holding DIN: 06419028) Director who retires by rotation.			
3.	Ratification of appointment of M/s Joshi & Kulkarni, Chartered Accountants as Statutory Auditor of the Company			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

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

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

Affix Revenue Stamp ` 1
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**Note:**

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

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

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

(CIN: L99999MH1938PLC002869)

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

78<sup>th</sup> Annual General meeting on 9<sup>th</sup> August, 2017**BALLOT FORM**

(For members who do not have access to e-voting facility)

Sr. No	Particulars	Details
1.	Name of the First named Member (in Block letters)	
2.	Postal Address	
3.	Registered Folio No. / Client Id No.* (*Applicable to Investors holding shares in Dematerialised form)	
4.	Class of Shares	

I/We hereby exercise my /our vote in respect of Resolution(s) to be passed for the business stated in Notice of the 78<sup>th</sup> Annual General Meeting of Company to be held on Wednesday, 9<sup>th</sup> August, 2017, by sending my / our assent or dissent to the said Resolution (s) by placing the tick mark at the appropriate box below:

Resolution No.	Resolution	Equity Shares	No. of Optional	
			For	Against
<b>ORDINARY BUSINESS</b>				
1.	Adoption of Statement of Profit & Loss, Balance Sheet, Report of Board of Directors for Financial Year ended 31 <sup>st</sup> March, 2017			
2.	Re-appointment of Mr. Madhav R. Chandrachud, (holding DIN: 06419028) Director who retires by rotation.			
3.	Ratification of appointment of M/s Joshi & Kulkarni, Chartered Accountants as Statutory Auditor of the Company			

Place :

Date :

\_\_\_\_\_  
(Signature of Member)**Note: This Ballot Form is provided for the benefit of Members, who do not have access to e-voting facility.**

## G. G. DANDEKAR MACHINE WORKS LIMITED

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### INSTRUCTIONS

1. Members may fill up this Ballot form (no other form or photocopy of the form will be accepted) and send the same in a sealed envelope addressed to scrutinizer Mr. Mahesh Athavale, Practicing Company Secretary c/o Link Intime India Private Limited, (Unit: G. G. Dandekar Machine Works Limited), Akshay Complex ' , Block No.202, 2nd Floor, Near Ganesh Temple, Off Dhole Patil Road, Pune 411001, so as to reach by 5 p.m on 8<sup>th</sup> August, 2017. The Ballot form received thereafter will be strictly treated as not received.
2. The Ballot Form should be signed by Members as per the specimen signature with the Company/ the Depositories. In case of joint holding, the Form should be completed and signed by the first named member and in his / her absence, by the next named Joint holder. The right of voting by Ballot form shall not be exercised by a Proxy.
3. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/ Authorisation.
4. **A Member can opt for only one mode of voting i.e. either through e-voting or by the Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot form should be treated as invalid.**
5. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on 2<sup>nd</sup> August, 2017.
6. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms shall be rejected. The decision of the Scrutinizer on the validity of the Ballot Form will be final.
7. The Company will not be responsible, if the envelope containing the Ballot Form is lost in transit.

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

(CIN: L99999MH1938PLC002869)

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

**78<sup>th</sup> Annual General meeting on 9<sup>th</sup> August, 2017****ATTENDANCE SLIP**

<b>Registered Folio/ DP ID &amp; Client ID</b>	
<b>Name and address of the shareholder(s)</b>  <b>Joint Holder 1</b> <b>Joint Holder 2</b>	

I /We hereby record my/our presence at the 78<sup>th</sup> Annual General Meeting of the Company at 211/A, MIDC, Butibori Industrial Area, Village Kinhi, Tal. Hingana Dist. Nagpur-441122 on Wednesday, August 9, 2017 at 11.00 a.m.

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 Member's Folio/DP ID/ Client ID No.

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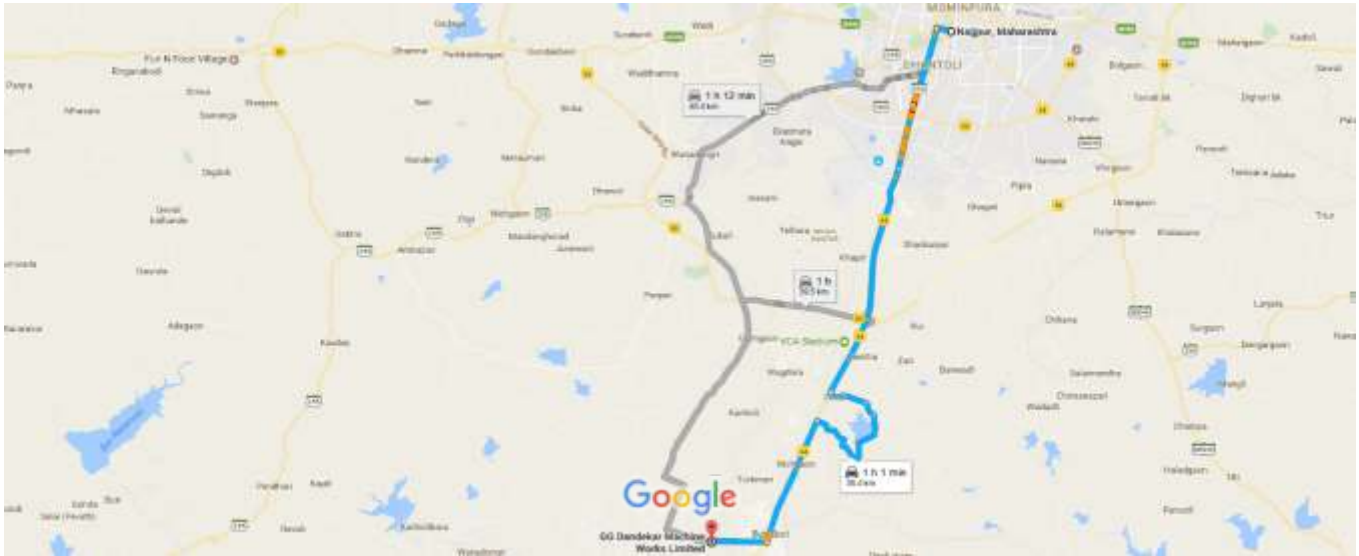
 Member's/Proxy's name in block letters

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 Member's/Proxy's Signature

Note: Please complete the Folio/ DP ID-Client No. and name, sign this attendance slip and hand it over at the Attendance Verification Counter at ENTRANCE OF THE MEETING HALL.

## Location Map for G. G. Dandekar Machine Works Limited



Map data ©2017 Google 2 km



**via Aurangabad - Nagpur Rd/Chandrapur - Nagpur Rd/Mancherial - Chandrapur - Nagpur Rd**

**36.4 km**



**via Aurangabad - Nagpur Rd/Chandrapur - Nagpur Rd/Mancherial - Chandrapur - Nagpur Rd and NH53**

**39.5 km**



**via Hingna Rd**

**40.4 km**

BOOK POST

To,

*In case undelivered, please return to:*

**Link intime India Pvt. Ltd.**

Unit: G.G. Dandekar Machine Works Ltd.

Block No. 202, Akshay Complex, Off Dhole Patil Road,

Near Ganesh Temple, Pune-411001.

CIN : U67190MH1999PTC118368



**DANDEKAR**<sup>TM</sup>

**Built to Last**

An ISO 9001 : 2008 Certified Company

*Registered Office*

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

CIN : L99999MH1938PLC002869

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

Phone : +91 - (7104) 667300 Fax: +91 (7104) 667302 website : [www.ggdandekar.com](http://www.ggdandekar.com)