

Board of Directors :

Mr. Atul C. Kirloskar Chairman
 Mr. Nihal G. Kulkarni Vice Chairman
 Mr. Gurunath J. Karandikar Managing Director
 Mr. Dattatraya R. Swar
 Ms. Aditi V. Chirmule
 Mr. Vinod R. Sethi

Company Secretary :

Ms. Prajakta A. Bhide

Audit Committee :

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

Share Transfer cum Shareholders' Grievance Committee :

Mr. GURUNATH J. Karandikar
 Mr. Nihal G. Kulkarni
 Ms. Aditi V. Chirmule

Investment Sub-Committee :

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

Auditors :

M/s. P. D. Ghanekar & Co.
 Chartered Accountants
 Mumbai

Registrar & Transfer Agents :

Intime Spectrum Registry Limited,
 C-13, Pannalal Silk Mill Compound,
 L.B.S. Marg, Bhandup (W),
 Mumbai 400 078

Registered Office :

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

Information for Shareholders:

Annual General Meeting:
 Date: 21st July 2008
 Time: 11.00 AM

Venue: Dandekarwadi,
 Bhiwandi, 421 302, Dist. Thane
 Proposed Dividend: 300%
 (Rs. 3/- per share of Re. 1/- each)
 Dates of Book Closure: 12th July 2008 to
 21st July 2008 (both days inclusive)

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Directors' Report

To the Members,

The Directors have pleasure in presenting the 69th Annual Report together with audited annual accounts of the Company for the Financial Year ended 31 March 2008.

1. Financial Performance:

(Rupees) Year ending March 31,

	2008	2007
Sales (Net)	171,770,048	170,825,122
Other Income	16,822,424	10,975,073
Profit on sale of Land	2,765,455	188,829,504
Profit on sale of Investments	1,022,878	19,743,168
Profit before Tax	53,988,608	252,386,798
Provision for Tax:		
Current Tax	18,000,000	54,700,000
Deferred Tax	(1,251,727)	(3,899)
Fringe Benefit Tax	410,000	310,000
Net Profit for the Year	36,830,335	197,380,697
Profit brought forward from the previous year	178,651,273	17,982,330
Amount available for appropriation	215,481,608	215,363,027
Appropriations		
(a) Proposed Dividend	14,284,161	14,284,161
(b) Corporate Dividend Tax	2,427,593	2,427,593
(c) Transfer to General Reserve	37,00,000	20,000,000
(d) Balance carried to Balance Sheet	191,121,142	178,651,273

2. Dividend

Your directors recommend a dividend of Rs. 3/- per share (300%) for the financial year ended 31st March 2008.

3. Management Discussion & Analysis

The operations of the Company comprise of the manufacture and sale of Complete Rice Mill Plants, Singular machines, Spare parts & After Sales Service.

A. Industry Overview:

The rice milling industry is fragmented and there are over 1,00,000 rice mills in the country. The majority of business in our range comes from West Bengal, Orissa, Andhra Pradesh, Karnataka and Tamil Nadu.

In the last 3 years, the rice/grain processing industry has been growing at a CAGR of 3-4%. Although the Indian economy has grown substantially, Agricultural growth remains slow as our industry depends heavily on government aid and lending policies of the banking industry.

The impact of inflation has resulted in slow down or delay in commissioning of new projects and change over to new machines.

There is also a drastic change in the cost of paddy and the selling price of rice which has further reduced the margins of the rice millers thus creating a cash crunch for further investment.

B. Company Performance:

During the year under report the Company has achieved a turnover of Rs. 1717.70 Lacs and operating profit for the current financial year is Rs. 502 Lacs in the year under review.

C. Opportunities and Threats:

The company sees opportunity for growth through sale of machines to other food processing sectors like onions, wheat & various dals. The company also sees opportunity for increasing sale through introduction of color sorters & higher capacity vibro cleaners & shellers.

D. Concerns:

The rising input costs form a major part of the concerns for the management. The increase in cost of steel, castings & other materials has resulted in a major threat from both demand side as well as supply side. Input cost increased by nearly 28%, which we could offset by price rise in our product by 10 to 12%.

E. Outlook:

The global slowdown and the resultant decline in Indian economy may result in further slowdown for demand and initiation of new projects.

In 08-09, company will increase its market penetration through extensive customer visits and new agent appointments in existing as well as new territory. Considering our long term plans, we have formed marketing team for exploring market product opportunity.

F. Internal control systems:

The Company has all the statutory internal control systems in place through various initiatives and the audits of internal as well external auditors. During the year 2007-08, Company has strengthened this process through re-defining the scope of auditors. The risk management framework as per the needs of clause 49 is in place and is reviewed & updated every quarter.

G. Human Resources and Industrial Relations:

1. The Company has adopted new technique of employee competency mapping for identifying the strength and weaknesses of individual employees. Based on the same, training programme has been planned to overcome weaknesses of the employees and to specialize them in a particular skill. On the basis of competency mapping, proper placement and salary revision is done.
2. Employees are provided necessary safety equipments to ensure smooth and safe working conditions.
3. No. of employees as on 31st March 2008 is 147.

4. Directors

Mr. Nihal G. Kulkarni & Ms. Aditi V. Chirmule retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

5. Corporate Governance

A report of the Corporate Governance, along with the certificate of compliance from the Auditors, forms part of this report.

6. SEBI Regulations & Listing Fees

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

The annual listing fees for the year under review has been paid to Stock Exchange, Mumbai where your Company's shares are listed.

7. Fixed Deposits

The Company does not accept fixed deposits.

8. Directors' Responsibility Statement

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

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

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

That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and that the Directors have prepared the annual accounts on a going concern basis.

9. Statutory Disclosures

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

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

10. Acknowledgements

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

For and on behalf of the Board of Directors

Date: 23 April 2008
Place: Pune

ATUL C. KIRLOSKAR
Chairman

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

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

Particulars	Current Year 2007-08	Previous Year 2006-07
ELECTRICITY:		
(I) Purchased units	273,211	292,612
Total Amount	1,993,054	1,968,860
Rate/Unit (Rs.)	7.29	6.73
(II) Own Generation		
Through Diesel Generation	41,225	35,659
Unit/litre of Diesel	2.17	1.70
Cost/Unit	15.88	19.67

TECHNOLOGY ABSORPTION:

Research & Development:

1. Modern Pre Cleaner (Type PCS-1000) capacity 8 MT/hr.

Modern Pre cleaner machine is developed for pre-cleaning of Paddy in Rice Mills, Wheat in Floor Mills, and Barley for malting to the highest quality. Modern design rigid construction, good finish and workmanship are combined to make this machine best suited for these jobs. After changes in screen, this machine can be used for cleaning and grading of light and heavy seeds, cereals, soyabean, pulses etc.

2. Variable Stroke Paddy Separator 100/4 compartments.

Paddy separator 100/4 compartments is a bigger machine suitable for 8 MT/hr of Paddy. Seeing the market trend of mill owners going for larger capacity mills, this size separator is developed.

FOREIGN EXCHANGE EARNING & OUTGO:

- 1) Foreign Exchange Earnings (FOB) : NIL
- 2) Foreign Exchange outgo : Rs. 417,794/-

Information as per section 217(2A) of the Companies Act, 1956, read with the Companies (Particular of Employees), Rules, 1975, and forming part of the Director's Report for the year ended on 31st March 2008.
NIL

For and on behalf of the Board of Directors

Date: 23 April 2008
Place: Pune

ATUL C. KIRLOSKAR
Chairman

COMPLIANCE CERTIFICATE

Company No.: 11 - 2869

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

We have examined the registers, records, books and papers of G. G. DANDEKAR MACHINE WORKS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2008. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

- 1 The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
- 2 The company has filed the forms and returns, as stated in Annexure 'B' to this certificate with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
- 3 The Company being a Public Limited Company, comments are not required.
Company during the year ended 31st March 2008:
 - a. has not invited public to subscribe for its shares or debentures; and
 - b. has not invited or accepted any deposits from persons other than its members, directors or their relatives.
- 4 The Board of Directors duly met 4 (Four) times on 27/04/2007, 23/07/2007, 27/10/2007, and 22/01/2008, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Company has not passed any resolution by Circulation.
- 5 The company has closed its Register of Members from 17th July 2007 to 23rd July 2007 during the financial year ended 31st March 2008 after complying with the provisions of Section 154 of the Act.

- 6 The Annual General Meeting for the financial year ended on 31st March, 2007 was held on 23rd July 2007 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7 No Extra Ordinary General Meeting was held during the financial year ended 31st March 2008.
- 8 The company has not advanced any loans to the Directors and / or firms or companies referred in the Section 295 of the Act during the financial year ended 31st March 2008.
- 9 The company has not entered into any contracts as specified under section 297 of the Act during the financial year ended 31st March 2008.
- 10 The company has not entered into any contracts, which attract provisions of Section 301 of the Act. Hence no entries were made in the register maintained as per provisions of Section 301 of the Act.
- 11 As there were no instances falling within purview of Section 314 of the Act during the financial year ended 31st March 2008, the company has not obtained any approvals from the Board of Directors, Members or Central Government as the case may be.
- 12 The Board of Directors has approved the issue of duplicate share certificates during the financial ended on 31st March 2008.
- 13 The Company has:
- a) not made any allotment of securities and the company had delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act, except for one case of the transmission approved in Board meeting held on 22nd January 2008.
 - b) deposited the amount of dividend in a separate Bank account on 24th July 2007 which was within 5 days from the date of declaration of such dividend.
 - c) Paid warrants for dividends to all the members within a period of 30(Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to unpaid Dividend Account of the Company with HDFC Bank on 27th August 2007.
 - d) transferred the amounts in unpaid Dividend Account which have remained unclaimed, unpaid for a period of seven years to Investors Education and Protection Fund.
 - e) Duly complied with the requirements of Section 217 of the Act.
- 14 The board of directors of the company is duly constituted.
- 15 The company has not appointed Managing Director during the year financial year ended on 31st March 2008.
- 16 The company has not appointed any sole selling agents during the financial year ended on 31st March 2008.
- 17 The company has not initiated any proceedings / actions during the financial year ended 31st March 2008, requiring the company to obtain necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
- 18 The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19 The company has not issued any Equity Shares / Debentures or other securities during the financial year ended on 31st March 2008.
- 20 The company has not bought back any shares during the financial year ending 31st March 2008.
- 21 The company does not have preference share capital and has not issued debentures.
- 22 The Company has declared dividend and has not issued any rights shares or issued any bonus shares during the financial year ended 31st March 2008. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
- 23 The company has not invited or accepted any deposit including any unsecured loans falling within the purview of Section 58A during the financial year ended on 31st March 2008.
- 24 The Company has not made any borrowings during the financial year ended 31st March 2008.
- 25 The Company has made investments and has complied with the provisions of section 372A and other provisions of the act and necessary entries in the register are being made. Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate.
- 26 The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year ended on 31st March 2008.
- 27 The company has not altered the provisions of the memorandum with respect to the objects of the company during the

- year ended on 31st March 2008.
- 28 The company has not altered the provisions of the memorandum with respect to name of the company during the year ended on 31st March 2008.
- 29 The company has not altered the provisions of the memorandum with respect to share capital of the company during the year ended on 31st March 2008.
- 30 The Company has not altered the provisions of Articles of Association during the year ended on 31st March 2008.
- 31 There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
- 32 The company has not received any money as security from its employees during the financial year ended on 31st March 2008.
- 33 The Company has not framed any scheme of Provident Fund for its employees.

KANJ & ASSOCIATES
COMPANY SECRETARIES

DATE: 22nd APRIL 2008
PLACE: PUNE

MAHESH A ATHAVALE
PARTNER
CP NO.: 1488

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

Annexure A

Statutory Registers as maintained by the Company during the financial year ended 31st March 2008.

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

DATE: 22nd April 2008
PLACE: PUNE

KANJ & ASSOCIATES
COMPANY SECRETARIES

MAHESH A ATHAVALE
PARTNER
CP NO.: 1488

Annexure B**Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March, 2008**

Sr. No.	Particulars of Form	Sec No.	Purpose of Filing	Date of Filing
1	Form DIN 3		Intimation of Receipt of Form DIN 2	02/04/2007
2	Form DIN 3		Intimation of Receipt of Form DIN 2	02/04/2007
3	Form 25C	269	Appointment of Managing Director	24/04/2007
4	Form 32 & 32AD	303(2)	Resignation of Directors	08/05/2007
5	Form DIN 3		Intimation of Receipt of Form DIN 2	17/05/2007
6	Form 32	303(2)	Appointment of Additional Director	17/05/2007
7	Form 1 (IEPF)(1st Interim Dividend FY 1999-00)	205A	Transfer of Unclaimed Dividend	10/08/2007
8	Form 1 (IEPF)(2nd Interim Dividend FY 1999-00)	205A	Transfer of Unclaimed Dividend	25/05/2007
9	Form 32	303(2)	Appointment of Director in AGM	01/08/2007
10	Form 23	192	Registration of Resolution	01/08/2007
11	Annual Accounts for 31st March, 2007 (Form 23AC)	220	Annual Filing	07/08/2007
12	Compliance Certificate for 31st March, 2007 (Form 62)	383A	Annual Filing	07/08/2007
13	Annual Return as on 23rd July 2007 (Form 20B)	159	Annual Filing	16/08/2007
14	Form 32	303(2)	Appointment of Company Secretary	21/01/2008

**DATE: 22nd April 2008
PLACE: PUNE****KANJ & ASSOCIATES
COMPANY SECRETARIES****MAHESH A ATHAVALE
PARTNER
CP NO.: 1488**

Report on Corporate Governance

(Pursuant to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

This Financial Year, The provisions of Clause 49 of the Listing Agreement with the Mumbai Stock Exchange have become applicable to the Company with effect from the financial year 2007 - 08. The Company has taken all the necessary steps for compliance with the provisions of Clause.

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

2. BOARD OF DIRECTORS**a. Composition of the Board**

The strength of the Board was six Directors as on 31st March 2008, comprising of one Executive Director and five Non-Executive Directors, including Chairman. The Non-Executive Directors constituted more than one third of the total number of Directors. Four out of six Directors were independent directors, which duly complies with the requirement of Clause 49 of the Listing Agreement.

b. Number of Board Meetings

During the year under review, four Board meetings were held on 27th April 2007, 23rd July 2007, 27th October 2007 & 22nd January 2008.

c. Director's attendance record and directorships held

The information on composition of the Board as on 31st March 2008, category of directors, attendance at Board meetings held during the financial year and at the last Annual General Meeting, Directorships in other public companies and Committees of other public companies of which the director is a Member/ Chairman is as under:

Sr. No.	Name of Director	Category	Financial Year 2007-08 Attendance at		No. of Directorships in other public companies incorporated in India	Committee positions held in other companies	
			Board Meetings	Last AGM		+C	#M
1	Mr. Atul C. Kirloskar	Chairman NED +@	2	Present	4	5	-
2	Mr. Gurunath J. Karandikar	I & ED	4	Present	-	-	-
3	Mr. Nihal G. Kulkarni	VC & NED@	4	Present	-	-	-
4	Ms. Aditi V. Chirmule	I & NED	4	Present	-	-	-
5	Mr. Dattatraya. R. Swar	I & NED	2	Absent	1	-	-
6	Mr. Vinod R. Sethi	I & NED	3	Present	8	1	10
7	Mr. Prabhakar S. Padhye*	I & NED	1	-	-	-	-
8	Mr. M. V. Shidore*	I & NED	1	-	-	-	-
9	Mr. Dattatraya K. Karve*	I & NED	1	-	-	-	-
10	Mr. Yatish S. Kini*	I & NED	1	-	-	-	-

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

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

* Ceased to be a Director with effect from 27th April 2007 at the close of Board Meeting.

d. 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;
- minutes of meetings of audit committee and other committees;
- the information on recruitment and remuneration to senior officers just below the Board level;
- materially important show cause, demand, prosecution and penalty notices;
- fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- any material relevant default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- any issue, which involves possible public or product liability, claims of substantial nature;
- details of any joint venture or collaboration agreement;
- transactions that involve substantial payment towards goodwill, brand equity, or intellectual rights;
- significant labour problems and their proposed solutions;
- significant development in human resources and industrial relation fronts;
- sale of material nature, of investments and assets, which is not in the normal course of business;
- quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement; and
- 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.

3. AUDIT COMMITTEE

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

- Oversee the Company's financial reporting process and disclosures of financial information to ensure that the financial statement is sufficient and credible.
- Review internal audit function as regards its adequacy, scope, frequency and review of the reports etc.
- Reviewing the annual financial statements before submission to the Board.
- Review Auditor's report, internal controls and recommendations relating thereto.

During the year under review, 4 meetings of the Committee were held on 27th April 2007, 23rd July 2007, 27th October 2007 & 22nd January 2008. The composition of the committee and attendance at its meetings is given below:

Sr. No.	Name of the member Director	No. of meetings attended
1	Mr. D. R. Swar (Chairman – with effect from 22 nd January 2008)	2
2	Ms. Aditi V. Chirmule (Chairperson – upto 22 nd January 2008)	4
3	Mr. Nihal G. Kulkarni	4
4	Mr. Vinod R. Sethi	3

The Audit Committee meetings are attended by the Managing Director, Finance Manager and the representatives of the Internal Auditors, Statutory Auditors. The Company Secretary acted as a Secretary of the committee.

4. REMUNERATION TO DIRECTORS

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

The remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors based on their attendance and contribution at the meetings. The members at the Annual General Meeting of the Company held on 21st July 2004, approved the payment of commission to the Non-Executive Directors,

not exceeding 1% of the net profits of the Company computed in the manner laid down in Sections 349 and 350 of the Companies Act, 1956.

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

The details of the remuneration of the Directors.

Remuneration of the Directors during the year 2007-08

Directors	Salary	Perquisites	Allowances	Commission	Sitting Fees	Total
Mr. Atul C. Kirloskar	-	-	-	-	10,000	10,000
Mr. Gurunath J. Karandikar	1,080,000	668,604	-	-	-	1,748,604
Mr. Nihal G. Kulkarni	-	-	-	-	50,000	50,000
Ms. Aditi V. Chirmule	-	-	-	-	50,000	50,000
Mr. Dattatraya R. Swar	-	-	-	-	20,000	20,000
Mr. Vinod R. Sethi	-	-	-	-	30,000	30,000
Mr. Prabhakar S. Padhye*	-	-	-	-	5,000	5,000
Mr. M. V. Shidore*	-	-	-	-	5,000	5,000
Mr. D. K. Karve*	-	-	-	-	5,000	5,000
Mr. Y. S. Kini*	-	-	-	-	5,000	5,000

Notes: Salary = Basic salary only.

Perquisites include fully furnished residential accommodation, reimbursement of medical expenses, reimbursement of electricity and gas, contributions to provident fund and superannuation fund, provision for gratuity and leave encashment, perquisite value as per Income-tax Rules for furniture at residence and provision of motor car.

* Ceased to be a Director with effect from 27th April 2007 at the close of Board Meeting.

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

Shareholding of Non-executive Directors:

Mr. Atul C Kirloskar holds 2,160 equity shares in the Company.

5. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee of the Board has been constituted to look into complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend etc. Mr. Gurunath J. Karandikar is Compliance Officer (Managing Director) and other members are Ms. Aditi V. Chirmule & Mr. Nihal G. Kulkarni. Ms. Aditi V. Chirmule is the Chairperson. The Compliance Officer can be contacted at:

G G Dandekar Machine Works Limited
Dandekarwadi, Bhiwandi, Thane
Tel: 02522 – 229870/71 Fax : 02522 - 229873
E-mail: gurunath.karandikar@ggdandekar.com

The total number of complaints received and replied to the satisfaction of the shareholders during the year ended 31 March 2008 were eighteen and there were no complaints outstanding as on 31 March 2008.

The Company had no share transfer requests pending as on 31 March 2008.

6. GENERAL BODY MEETINGS

Location and time of last four Annual General Meetings:

Financial Year	Date	Time
2003-2004	21st July 2004	10.30 a.m.
2004-2005	12th July 2005	10.30 a.m.
2005-2006	10th July 2006	10.30 a.m.
2006-2007	23rd July 2007*	11.00 a.m.

*One Special Resolution was passed:

Appointment of Mr. Gurunath J. Karandikar as Managing Director of the Company for the period of 3 years with effect from 28th December 2006.

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

The special resolution as mentioned above has not put through postal ballot.

7. DISCLOSURES

During the year under review, there were no materially significant related party transactions made by the Company with its Promoters, Directors, Management or Subsidiaries that may have potential conflict with the interests of the Company at large. Transactions with the related parties are disclosed in Note No. 9 of Schedule 'O' to the Accounts in the Annual Report.

There have been no instances of non-compliance by the Company on any matters related to capital markets, during the last three years. Neither penalties have been imposed nor any strictures imposed on the Company by the Stock Exchanges, SEBI or any matter related to capital markets.

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

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

i. The Board

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

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

ii. Shareholder Rights

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

iii. Audit qualification:

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

8. PARTICULARS OF RE-APPOINTMENT OF DIRECTORS

Mr. Nihal G. Kulkarni and Ms. Aditi V. Chirmule

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

He is currently a Vice President in the Kirloskar Pneumatic Ltd.

He is not a Director in any other Company. He is not related with any of the Board Members.

He does not hold any equity shares in the Company.

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

Ms. Aditi V. Chirmule, who is an associate member of Institute of Company Secretaries of India, is currently employed as Company Secretary of Kirloskar Oil Engines Limited. She has been associated with the Kirloskar Group since late 1989 and has played a major role in internal and external restructuring of businesses and mergers, acquisitions and formation of joint ventures during her association with the Kirloskar Group.

She does not hold any equity shares in the Company.

She is not a Director in any other Company. She is not related with any of the Board Members.

No Director other than Ms. Aditi V. Chirmule is concerned or interested in the above item.

9. MEANS OF COMMUNICATION

- The Quarterly and Half Yearly results are published in national and local dailies such as Financial Express in English and Sakal / Navashakti in Marathi. Those were not sent individually to the shareholders.
- The Company's results are displayed on SEBI website namely www.sebiedifar.nic.in
- The Management Discussion and Analysis Report forms part of this Annual Report.

10. General Shareholder Information

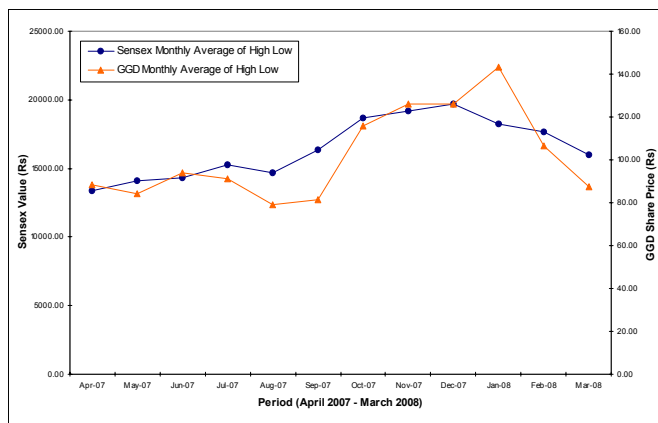
Annual General Meeting	
Date and Time :	21st July 2008, 11.00 AM
Venue :	Registered office of the Company at: Dandekarwadi, Bhiwandi 421 302, Dist. Thane.
Financial Calendar :	1st April 2007 to 31st March 2008 During the year the results were announced as under: First quarter: on 23rd July 2007 Second quarter: on 27th October 2007 Third quarter: on 22nd January 2008 Annual: on 23rd April 2008
Date of Book Closure :	12th July, 2008 – 21st July, 2008 (both days inclusive)
Dividend payment date :	After 6th August 2008 but on or before 20th August 2008.
Listing on stock exchanges : (Stock Code)	The Company's shares are listed on: * The Stock Exchange, Mumbai (505250)

Market Price Data

Monthly high/low during the year 2007-08 on the BSE:

Stock Exchange	The Stock Exchange, Mumbai	
Month	High (Rs.)	Low (Rs.)
April 2007	99	78
May 2007	98	69.95
June 2007	106	81.6
July 2007	102	80.1
August 2007	87.25	71.25
September 2007	85	78
October 2007	157	75
November 2007	150	102.55
December 2007	146.4	106.1
January 2008	184.4	103
February 2008	123	90
March 2008	102	73

Performance of the Company's scrip on the BSE as compared to the BSE Sensex : Graph



Source: <http://www.bseindia.com/histdata/hindices2.asp>, <http://www.bseindia.com/histdata/stockprc2.asp>

Distribution of Shareholding (as on 31st March 2008)

Range of shares		Number of holders		% to total holders		Total face value		% to total face value	
From	To	Physical	Demat	Physical	Demat	Physical	Demat	Physical	Demat
1	500	372	2272	68.01	86.58	107430	352633	21.81	8.26
501	1000	82	187	14.99	7.13	70740	153666	14.36	3.6
1,001	2000	49	98	8.96	3.73	76860	149830	15.61	3.51
2,001	3000	17	22	3.11	0.83	42570	54907	8.64	1.29
3,001	4000	11	6	2.01	0.23	37980	20879	7.71	0.49
4,001	5000	5	13	0.91	0.50	22050	59520	4.48	1.39
5,001	10000	7	13	1.28	0.50	48150	104667	9.78	2.46
10,001		4	13	0.73	0.50	86670	3372835	17.61	79.00
SUBTOTAL		547	2624			492450	4268937		
TOTAL				100.00				100.00	

Shareholding Pattern (as on 31st March 2008)

Category	No. of shares	%
Promoters	2391040	50.22
Resident Individuals	1397375	29.35
Private Corporate Bodies	385669	8.10
Financial Institutions	558990	11.74
Nationalised and other Banks	8100	0.17
FII's and NRIs	20213	0.42
TOTAL	4761387	100.00

Pursuant to Regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 comprises Better Value Holdings Private Limited, Kirloskar Brothers Limited, Kirloskar Oil Engines Limited, Kirloskar Pneumatic Company Limited, Kirloskar Ferrous Industries Limited, Pooja Credits Private Limited, Kirloskar Systems Limited, Asara Sales & Investments Private Limited, PIH Finvest Company Limited, Navsai Investments Private Limited, Prakar Investments Private Limited, Alpak Investments Private Limited, Achyut & Neeta Holdings & Finance Private Limited, Sri Harihareshwara Finance & Investments Private Limited, Cees Investments and Consultants Private Limited, Kirloskar Kisan Equipments Limited, Kothrud Power Equipment Limited, Kirloskar Silk Industries Limited, Kirloskar Proprietary Limited, G. G. Dandekar Machine Works Limited, Mahila Udyog Limited, Kirloskar Corrocoat Private Limited, Kirloskar Constructions and Engineers Limited (Formerly known as: Aban Constructions Limited), Gondwana Engineers Limited, Kirloskar Chillers Private Limited, Hematic Motors Private Limited, Pressmatic Electro Stampings Private Limited, Quadromatic Engineering Private Limited, Suman Kirloskar, Mrinalini Kirloskar, Neeta A. Kulkarni, Atul C. Kirloskar, Arti Kirloskar, Gauri Kirloskar, Aditi Kirloskar, Sanjay C. Kirloskar, Pratima Kirloskar, Alok Kirloskar, Rama Kirloskar, Rahul C. Kirloskar, Alpana Kirloskar, Alika Kirloskar, Aman Kirloskar, Gautam A. Kulkarni, Jyotsna Kulkarni, Nihal Kulkarni, Shruti Kulkarni, Ambar Kulkarni, Vikram S. Kirloskar, Geetanjali Kirloskar, Manasi Kirloskar, Roopa Gupta and Chandrashekhar H. Naniwadekar.

Registrar & Transfer Agent:

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

Intime Spectrum Registry Limited,	
Head Office	C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai 400078 Telephone No.: (022) 25963838 Fax No. (022) 25946969 Email ID: isrl@intimespectrum.com

Share Transfer System:

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

Dematerialisation of shares:

As on 31 March 2008, 42,68,937 equity shares being 89.66% of the total equity share capital of the Company was held in dematerialised form.

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

Not issued.

Plant Locations:

Plant Location	Products produced
Bhiwandi	Rice Mills, Machinery and Accessories

Address for correspondence:

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

Intime Spectrum Registry Limited,
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup, Mumbai 400078

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

The Shareholders,

I, Atul C. Kirloskar, Chairman of the Company, do hereby declare that all the Board & Senior Management personnel have affirmed compliance with the Code of Conduct for the Board of Directors & Senior Management of G. G. Dandekar Machine Works Ltd. made with effect from April 1, 2007.

Atul C. Kirloskar
Chairman

Place: Pune
Date: 23rd April 2008

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

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

We have examined the compliance conditions of Corporate Governance by G. G. DANDEKAR MACHINE WORKS LIMITED for the year ended on March 31, 2008 as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited.

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

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

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

For **KANJ & ASSOCIATES,**
Company Secretaries

MAHESH A. ATHAVALE
Partner

Place: Pune
Date : 23rd April 2008.

To,
The Members
Messers G. G. Dandekar Machine Works Ltd.
Bhiwandi, Maharashtra.

1. We have audited the attached balance sheet of M/s G. G. Dandekar Machine Works Ltd., as at 31st March, 2008, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principle used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books,
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of accounts.
 - (iv) Subject to note no (8) regarding diminution in the value of investments, in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of the section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view to conformity with the accounting principles generally accepted in India.
 - (a) in the case of the balance sheet of the state of affairs of the company as at 31st March, 2008;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For M/s. P.D. Ghanekar & Company
Chartered Accountants

(S.P. Ghanekar)
Partner
M. No. 38811

Mumbai, 23rd April, 2008

Annexure to Auditors' Report

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

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion, is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The Company has not disposed off substantial part of fixed assets during the year.
2. In respect of its inventories:
 - (a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, and according to information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
 - (c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on verification between the physical stocks and the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firm, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
 - (a) The company had not taken loan from other companies covered under section 301 of the Companies Act, 1956.
 Clause (b) to (d) are not applicable
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to the information and explanation given to us, the Company has not entered into transactions covered under Section 301 of the Companies Act, 1956.
6. The company has not taken any deposit from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any product of the Company.
9. In respect of statutory dues
 - (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material dues applicable to it. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2008 for a period of more than six months from the date they became payable.
 - (b) The disputed statutory dues aggregating to Rs. 394.34 lacs, that have not been paid on account of matters pending before appropriate authorities are as under:-

Sr. No	Name of statute	Nature of the Dues	Forum with dispute is Pending	Amount (Rs. in Lacs)
1.	Income Tax	Income Tax Act, 1961	High Court (Mumbai)	394.34

10. In our opinion, the Company has no accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
15. The company has not given guarantees for loans taken by others from banks or financial institution.
16. According to the information and explanation given to us, the Company has not taken any term loan.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that the no funds were raised on short-term basis. No long-term funds have been used to finance short-term assets except permanent working capital.
18. According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanation given to us, during the period covered by our audit report, the Company had not issued any debentures.
20. The Company has not raised any money by way of public issues.
21. According to the information and explanation given to us, Company has noticed and reported loss by theft of Rs. 85,000/- during the course of our audit.

For M/s. P.D. Ghanekar & Company
Chartered Accountants

(S.P. Ghanekar)
Partner
M. No. 38811

Mumbai, 23rd April, 2008

**G.G.DANDEKAR MACHINE WORKS LTD.
BALANCE SHEET AS AT 31ST MARCH, 2008**

SOURCES OF FUNDS:				
1 SHAREHOLDERS FUNDS:				
	Sch.	Rs.	Current Year	Previous Year
a) Share Capital	A	4,761,387		4,761,387
b) Reserves & Surplus	B	278,382,113		262,212,244
			283,143,500	266,973,631
2 Deferred Tax Balance (Refer Note No. 9)			-	43,138
3 LOAN FUNDS:				
a) Secured Loans	C	-		-
b) Unsecured Loans	D	-		-
			-	-
TOTAL FUNDS EMPLOYED			283,143,500	267,016,769
APPLICATION OF FUNDS:				
1 FIXED ASSETS				
Gross Block	E	21,807,365		19,762,544
Less:- Depreciation		16,862,220		16,155,579
			4,945,145	3,606,965
2 INVESTMENTS	F		61,572,155	29,138,838
3 NET CURRENT ASSETS				
a) Current Assets, Loans & Advances	G	267,404,804		287,106,212
b) Current Liabilities & Provisions	H	51,987,193		52,835,246
			215,417,611	234,270,966
4 Deferred Tax Balance (Refer Note No. 9)			1,208,589	-
TOTAL ASSETS (NET)			283,143,500	267,016,769
Notes to financial statements	O			
Schedules A to O form an integral part of the financial statements				

As per our report of even date attached
For P. D. Ghanekar & Co.
Chartered Accountants

On behalf of the Board of directors

S.P. Ghanekar
Partner (M.No. 38811)
Mumbai

Prajakta Bhide
Company Secretary

G. J. Karandikar
Managing Director

Atul C. Kirloskar
Chairman

**G.G.DANDEKAR MACHINE WORKS LTD.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	Sch.	Current Year Rs.	Previous Year Rs.
INCOME:			
1		171,770,048	170,825,122
2	I	16,822,424	10,975,073
3	N	3,764,418	878,441
TOTAL EXPENDITURE		192,356,890	182,678,636
4	J	75,679,821	79,275,590
5	K	36,111,965	29,224,200
6	L	29,182,662	29,445,320
7		-	10,832
8		1,182,167	657,561
TOTAL		142,156,615	138,613,503
9		50,200,275	44,065,133
10		1,022,878	19,743,168
11		-	(251,007)
12		2,765,455	188,829,504
13		53,988,608	252,386,798
14		18,000,000	54,700,000
15		(1,251,727)	(3,899)
16		410,000	310,000
17		36,830,335	197,380,697
18		178,651,273	17,982,330
		215,481,608	215,363,027
19		352,597	-
20		4,301,309	-
21		14,284,161	14,284,161
22		2,427,593	2,427,593
23		3,700,000	20,000,000
24		191,121,142	178,651,273

Notes to the financial statements:

O

Schedules 'A' to 'O' form an integral part of the Financial statement.

As per our report of even date attached
For P. D. Ghanekar & Co.
Chartered Accountants

On behalf of the Board of directors

S.P. Ghanekar
Partner (M.No. 38811)
Mumbai

Prajakta Bhide
Company Secretary

G. J. Karandikar
Managing Director

Atul C. Kirloskar
Chairman

**SCHEDULES 'A' TO 'O' ANNEXED TO & FORMING PART OF THE BALANCE SHEET
AND PROFIT AND LOSS ACCOUNT AS ON 31ST MARCH, 2008.**

SCHEDULE 'A' SHARE CAPITAL	Current Year Rs.	Previous Year Rs.
AUTHORISED CAPITAL		
20,000,000 Equity Shares of Re.1/= each *	20,000,000	20,000,000
(Previous Year 20,000,000 Equity Shares of Re.1/= each)		

ISSUED, SUBSCRIBED & PAID-UP CAPITAL :

4761387 Equity Shares of Re.1/= each	4,761,387	4,761,387
(Previous Year 4,761,387 Equity Shares of Re. 1/- each)		

NOTE: Out of the above 86400 Equity Shares of Re.1/= each are allotted as fully paid up shares pursuant to vendor's contract and 90,000 Equity Shares of Re. 1/= each have been issued to members as fully paid up Bonus Shares out of Capital Redemption Reserve without payment being received in cash.

SCHEDULE "B" RESERVES AND SURPLUS :	Current Year Rs.	Previous Year Rs.
4 GENERAL RESERVE		
As per last Balance Sheet	83,560,971	63,560,971
Add: Transferred from Profit & Loss Appropriation A/C	3,700,000	20,000,000
	87,260,971	83,560,971
5 SURPLUS AS PER PROFIT & LOSS A/c Surplus	191,121,142	178,651,273
	<u>278,382,113</u>	<u>262,212,244</u>

SCHEDULE "C" SECURED LOANS :

1 Bank of Maharashtra, Bhiwandi Br.	-	-
(Secured by hypothecation of Plant & Machinery, Stock of Raw Materials, Work-in-progress, Finished Goods, Book Debts & Promissory Notes given by the Company for cash creditarrangements of Rs. 95 lacs).		
	-	-

SCHEDULE "D" UNSECURED LOANS :

Security Deposits	-	-
Fixed Deposits	-	-
	-	-

SCHEDULE ' E' FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As on 1.4.2007	Additions during the Year	Sold out during the Year	Total	Written off in Previous Year	Adj. of Sales during the Year	Written off During the Year	Total	As on 31.3.2008	As on 31.3.2007
GOODWIL	1	-	-	1	-	-	-	-	1	1
FREEHOLD LAND	133,757	-	81,545	52,212	-	-	-	-	52,212	133,757
BUILDING	4,113,929	-	-	4,113,929	3,354,448	-	36,635	3,391,083	722,846	759,481
PLANT & MACHINERY	8,800,842	-	-	8,800,842	8,434,538	-	52,793	8,487,331	313,511	366,304
COMPUTER MACHINERY	2,086,236	591,450	-	2,677,686	1,563,818	-	313,424	1,877,242	800,444	522,418
COMPUTER SOFTWARE	-	1,846,500	-	1,846,500	-	-	307,750	307,750	1,538,750	-
FURNITURE, FIXTURE & OFFICE EQUIPMENTS	1,644,809	214,929	-	1,859,738	1,299,219	-	99,877	1,399,096	460,642	345,590
VEHICLES	2,982,970	-	526,513	2,456,457	1,503,556	475,526	371,688	1,399,718	1,056,739	1,479,414
TOTAL	19,762,544	2,652,879	608,058	21,807,365	16,155,579	475,526	1,182,167	16,862,220	4,945,145	3,606,965
Previous Year	18,536,987	2,131,463	905,906	19,762,544	15,568,739	70,721	657,561	16,155,579	3,606,965	2,968,248

SCHEDULE " F" - INVESTMENT - LONG TERM -AT COST :

	Current Year Rs.	Previous Year Rs.
GOVT. & TRUST SECURITIES (Unquoted)		
1 UTI 6.75% Tax free Bonds (173,166 Units of Rs.100/each (Market Value Rs.17,316,600/-)	17,316,600	17,316,600
2 Rural Electrification Corporation Bonds (5000 units of Rs.1,000/- each)	5,000,000	5,000,000
I	22,316,600	22,316,600

OTHER INVESTMENTS

A Equity Shares (Quoted)

Subex Ltd. (12,000 equity shares of Rs. 5/- each fully paid) (Market Value Rs. 2,422,200/-	6,654,695	-
Nucleus Software Ltd. (24,000 equity shares of Rs.10/- each fully paid) (Market Value Rs. 4,561,200/-)	10,770,204	-
Bharat Petroleum Corporation Ltd (11,000 equity shares of Rs.10/- each fully paid) (Market Value Rs. 4,510,000/-	3,756,655	-
Indraprastha Gas Ltd. (40,000 equity shares of Rs.10/- each fully paid) (Market Value Rs. 5,244,000/-	4,024,029	-
Gujarath Gas Company Ltd. (15000 equity shares of Rs.2/- each fully paid) (Market Value Rs. 3,529,500/-	3,959,883	-
GAIL India Ltd. (10,000 equity shares of Rs.10/- each fully paid) (Market Value Rs. 4,254,500/-	4,223,939	-
Marico Ltd. (30,000 equity shares of Re.1/- each fully paid) (Market Value Rs. 2,034,000/-	1,812,062	-
NIIT Technologies Ltd. (10,000 equity shares of Rs.10/- each fully paid) (Market Value Rs. 1,019,000/-	1,328,965	-
	36,530,434	0

II

B	Equity Shares (Unquoted)	Current Year Rs.	Previous Year Rs.
1	2 shares of Rs. 50/- each fully paid up of Maharashtra State Co-op Bank Ltd.	121	121
2	1000 Shares of Rs. 10/- each fully paid up The Saraswat Co.op Bank Ltd.	10,000	10,000
3	5 shares of Rs. 1000/- each fully paid up of The Engineering Raw Mat. Cons. Corp. Ltd.	5,000	5,000
	III	15,121	15,121
C	MUTUAL FUNDS :		
	GROWTH SCHEME		
1	HDFC Floating Rate Income Fund - Growth (Market Value Rs.2905567/-)	2,500,000	2,500,000
2	Reliance Floating Rate Fund - Growth	-	397,117
3	Templeton Floating Rate Income Fund	-	2,000,000
	DIVIDEND SCHEME		
1	UTI MNC Fund (Market Value Rs.557,340/-)	210,000	210,000
2	Franklin India Bluechip Fund	-	100,000
3	Franklin India Flexi Cap Fund	-	200,000
4	Franklin India Prima Fund	-	200,000
5	HDFC Equity Fund	-	200,000
6	HDFC Top 200 Fund	-	300,000
7	SBI Magnum Sector Funds Umbrella Contra	-	100,000
8	Reliance Diversified Power Sector Fund	-	100,000
9	Reliance Equity Opportunities Fund	-	200,000
10	Reliance Growth Fund	-	100,000
11	Reliance Vision Fund	-	200,000
	IV	2,710,000	6,807,117
	TOTAL I + II + III +IV	61,572,155	29,138,838
	(Market Value of Investmets - Rs.51,128,093/-)		

	Units	Rupees
1 Investment sold /redeemed during the year :		
1 Franklin India Bluechip Fund	2,111.932	100,000
2 Franklin India Flexi Cap Fund	11,020.951	200,000
3 Franklin India Prima Fund	3,575.233	200,000
4 HDFC Equity Fund	4,983.185	200,000
5 HDFC Top 200 Fund	8,488.204	300,000
6 SBI Magnum Sector Funds Umbrella Contra	3,856.537	100,000
7 Reliance Diversified Power Sector Fund	7,748.791	200,000
8 Reliance Equity Opportunities Fund	11,357.146	200,000
9 Reliance Growth Fund	2,136.296	100,000
10 Reliance Vision Fund	4,438.856	100,000
11 Reliance Floating Rate Fund - Growth	33,330.373	397,117
12 Templeton Floating Rate Income Fund	160,256.410	2,000,000
2 Investments Purchased during the year :		
1 Reliance Diversified Power Sector Fund	3,962.232	100,000
2 Subex Ltd.	12,000	6,654,695
3 Nucleus Software Ltd.	24,000	10,770,204
4 Bharat Petroleum Corporation Ltd	11,000	3,756,655
5 Indraprastha Gas Ltd.	40,000	4,024,029
6 Gujarat Gas Company Ltd.	15,000	3,959,883
7 GAIL India Ltd.	10,000	4,223,939
8 Marico Ltd.	30,000	1,812,062
9 NIIT Technologies Ltd.	10,000	1,328,965

	Current Year Rs.	Previous Year Rs.
SCHEDULE "G" CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS :		
1 INCOME ACCRUED AND DUE.	2,445,933	1,160,889
2 INVENTORIES :		
a) Stores & Accessories.	507,130	831,997
b) Raw Materials	11,878,140	12,609,334
c) Finished Goods.	8,202,197	3,446,221
d) Work-in-progress	3,341,059	4,332,617
(As per Inventory taken, valued & certified by the MD)	<u>23,928,526</u>	<u>21,220,169</u>
3 SUNDRY DEBTORS :		
a) Debtors Outstanding for more than 6 months.(unsecured & considered good)	0	33,280
b) Other Debts	735,173	462,400
	<u>735,173</u>	<u>495,680</u>
4 CASH AND BANK BALANCES :		
a) Cash in hand(including stamps)	97,130	227,195
b) In Current Account with Scheduled Banks	4,765,090	8,060,255
c) Deposits with Banks.	197,000,000	216,000,000
	<u>201,862,220</u>	<u>224,287,450</u>

B. LOANS AND ADVANCES :		Current Year	Previous Year
(Unsecured and considered Good)		Rs.	Rs.
1	Advance-Recoverable in cash or in kind or for value to be received :		
1a)	Advance for Purchases	181,821	285,361
1b)	Advance for Expenses.	1,392,622	1,111,231
1c)	Unclaimed Dividend	1,490,751	1,343,166
1d)	Unclaimed amount of Scheme of Arrangement	1,870,715	1,870,715
1e)	Advance to Staff & Workers	358,900	142,155
2	Sundry Deposits including Deposits with Govt.Undertakings.	586,702	1,052,287
3	Advance Income Tax including Tax Deducted at Source.(Net of Provision for Taxation)	16,463,807	16,549,475
4	Receivable Against Sale of Land	16,087,634	17,587,634
		38,432,952	39,942,024
		267,404,804	287,106,212

SCHEDULE "H" CURRENT LIABILITIES & PROVISIONS

		Current Year	Previous Year
		Rs.	Rs.
A. CURRENT LIABILITIES :			
1	Sundry Creditors for :		
a)	Goods Supplied	3,614,521	3,049,299
b)	Other Expenses & Advances	23,371,928	14,258,672
c)	Advances against Orders	4,927,524	15,601,640
d)	Unclaimed amount of Scheme of Arrangement	1,870,715	1,870,715
d)	Unclaimed Dividends	1,490,751	1,343,166
		35,275,439	36,123,492
B. PROVISIONS :			
1	Proposed Dividend	14,284,161	14,284,161
2	Corporate Dividend Tax	2,427,593	2,427,593
		16,711,754	16,711,754
		51,987,193	52,835,246

SCHEDULE "I" OTHER INCOME :

1	Interest	15,704,534	3,232,023
2	Dividend	346,974	5,332,475
3	Property Income	65,507	65,158
4	Miscellaneous Income	705,409	2,340,437
5	Exchange Earning	0	4,980
		16,822,424	10,975,073

SCHEDULE "J" MATERIALS CONSUMED :		Current Year	Previous Year
		Rs.	Rs.
1	Consumption of Raw Materials		
	Opening Stock	12,609,334	8,865,600
	Add : Purchases	70,300,170	77,353,201
		82,909,504	86,218,801
	Less : Closing Stock	11,878,140	12,609,334
		<u>71,031,364</u>	<u>73,609,467</u>
2	Consumption of Stores :		
	Opening Stock	831,997	510,287
	Add : Purchases	4,323,590	5,987,833
		<u>5,155,587</u>	<u>6,498,120</u>
	Less : Closing Stock.	507,130	831,997
		<u>4,648,457</u>	<u>5,666,123</u>
	Consumption	<u>75,679,821</u>	<u>79,275,590</u>

SCHEDULE "K" PAYMENTS TO & PROVISIONS FOR EMPLOYEES :

1	Salaries, Wages and Bonus	27,715,763	25,274,280
2	Welfare Expenses	1,085,564	720,758
3	VRS	-	-
3	Contribution to Gratuity Fund	1,322,031	1,146,795
4	Contribution to PF & ESI	2,211,083	2,082,367
5	Provision for Gratuity for the year as per AS 15	3,777,524	-
		<u>36,111,965</u>	<u>29,224,200</u>

SCHEDULE "L" GENERAL EXPENDITURE :		Current Year	Previous Year
		Rs.	Rs.
1	Packing, Freight & Transport	3,557,333	3,418,797
2	Power & Fuel	2,647,404	2,670,106
3	Insurance	649,452	529,027
4	Repairs to :		
a)	Plant & Machinery	501,593	231,394
b)	Building	330,952	368,862
c)	Other Assets.	615,059	264,658
d)	Colony	59,820	65,864
e)	Reparing & shifting Exps.	0	3,412,050
		<u>1,507,424</u>	<u>4,342,828</u>
5	Payment to Auditors :		
a)	Audit Fees	100,000	80,000
b)	Tax Audit Fees	40,000	25,000
c)	Certificates & Other Matters	-	40,000
d)	Payment to Internal Auditors	50,000	35,000
e)	Service Tax on Audit Fees	6,180	6,732
		<u>196,180</u>	<u>186,732</u>
6	Legal & Professional Fees	<u>2,015,767</u>	<u>376,792</u>
7	Research & Development	904,603	890,229
8	Commission to Dealers.	10,313,154	9,633,141
9	Taxes & Assessment	372,754	1,072,655
10	Directors' Commission (Schedule "M")	-	440,651
11	Directors' Sitting Fees	180,000	220,000
12	Miscellaneous Expenses :		
a)	Motor Car & Traveling Expenses	2,942,423	2,415,448
b)	Foreign Travel	670,810	209,289
c)	Advertisement & Propaganda	226,122	232,131
d)	Printing, Stationary & Postage Expenses	561,454	682,729
e)	Telephone & Telex Charges	387,015	217,293
f)	Others	2,026,447	1,891,132
		<u>6,814,271</u>	<u>5,648,022</u>
13	Loss on Sale of Assets	24,320	16,340
		<u>29,182,662</u>	<u>29,445,320</u>

**SCHEDULE 'M' COMPUTATION OF COMMISSION
PAYABLE TO DIRECTORS :**

	Current Year Rs.	Previous Year Rs.
Profit for the Year (Before Tax)		
As per Profit & Loss A/c	53,988,608	252,386,798
Add: Loss on sale of Investment	-	251,007
Add : Directors' Commission	-	440,651
	<u>53,988,608</u>	<u>253,078,456</u>
	A	
Less: Profit on sale of Investment	1,022,878	19,743,168
Less: Profit on sale of Land	2,765,455	188,829,504
	<u>3,788,333</u>	<u>208,572,672</u>
	B	
Eligible Profits A - B	<u>50,200,275</u>	<u>44,505,784</u>
Directors' Commission Payable	<u>-</u>	<u>440,651</u>

**SCHEDULE 'N' INCREASE / (DECREASE) IN THE VALUE OF STOCK OF FINISHED
GOODS AND WORK-IN-PROGRESS :****OPENING STOCK :**

Finished Goods	3,446,221	3,371,640
Work-in-Progress	4,332,617	3,528,757
	<u>7,778,838</u>	<u>6,900,397</u>

Less : CLOSING STOCK

Finished Goods	8,202,197	3,446,221
Work-in-Progress	3,341,059	4,332,617
	<u>11,543,256</u>	<u>7,778,838</u>
INCREASE/(DECREASE)	<u>3,764,418</u>	<u>878,441</u>

Notes forming part of the Balance Sheet as on 31st March, 2008 and Profit and Loss Account for the year ended on that date**1. Accounting Policies****a. Basis of Accounting**

The Financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the Standards on Accounting issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956.

b. Depreciation

- a) Depreciation on Fixed Assets has been charged on written Down Value Method as per Schedule XIV of the Companies Act, 1956.
- b) Depreciation on additions/ deletions during the year has been charged on Pro Rata basis.
- c) Depreciation on the Computer Software is charged at 1/6 of the value of the additions as per AS 26 - Intangible Assets.

c. Investments

Investments are valued at cost of acquisition less estimated diminution in the value determined to be of a permanent nature. In the opinion of the Management, present fall in the value of investments is not in a permanent nature and hence, no provision has been made.

d. Current Assets

All Current Assets are accounted at cost or realizable value whichever is lower.

The Closing Stock of Raw Materials and Stores is valued at cost on FIFO Basis as per Mandatory Accounting Standard 2 (Valuation of Inventories) of Institute of Chartered Accountants of India. Cost includes all charges incurred for bringing the goods in present condition & location including excise duty, octroi & other levies, transit insurance and receiving charges.

Closing Stock of Finished Goods for the current year is valued as per Mandatory Accounting Standard 2 of the Institute of Chartered Accountants of India.

e. Research & Development Expenses

Research & Development Cost of revenue are charged to revenue as and when incurred. Assets used for research and development activities are included in fixed assets.

f. Sales and Erection

- a) Sales exclude sales tax and excise duty.
- b) Sales and Erection are accounted when the sale of goods and erection is completed on accrual basis.
- c) Contract invoicing of own manufactured and /or bought-out materials, erection and commissioning are recognized as revenue on "substantial completion" basis. However, known related expenses are charged to revenue as soon as these are known to the Company.
- d) The Company periodically assesses and provides for the estimated liability on warranty given on sale of its products, based on past performance of such products.

g. Taxation

Provision for taxation is made on the basic of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961. Deferred Tax resulting from timing differences between Book Profits and Tax Profits is accounted for, at current rate of tax to the extent timing differences are expected to crystallize, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which deferred tax assets can be realized.

- h. All revenue, costs, assets and liabilities are accounted for on accrual basis except excise duty payable on unlearned finished goods which is accounted when it falls due by clearance of finished goods from the factory.

NOTES:

1. Paise are rounded off to the nearest Rupee.
2. Previous year's figures have been regrouped wherever necessary.

3. Contingent Liabilities not provided for :	Current Year	Previous Year
a) Counter Guarantees to Bank for Guarantees given by them on behalf of the Company	Nil	Nil
b) Income Tax matters under appeal (against the demand by Income Tax authorities of Capital Gains Tax on Sale of immovable properties by the Company).	39,434,222	39,434,222

4. Income Tax Assessment has been completed till assessment Year 2005-06. There was a disputed demand of Rs. 39,434,222/- against the company. CIT (Appeals) has given partly favorable decision in favor of the company, which is up held by the ITAT. Department's order giving effect to the order of the ITAT is awaited for passing necessary entries and the same will be paid out of the Reserves, if appeal is not decided in favor of the Company. Both, the Company and Department have filled an appeal in the Hon. High Court at Judicature at Mumbai against the order of the ITAT.
5. The Company has sold some of the land in 2006-07. As per the terms of the sale deed, the special suit before the Civil Judge Sr. Dvn. Thane against the vendor in the Plot No. 62, or any part thereof is decided against the vendor, the sale stands cancelled and company stands to indemnify the vendor for the cost, loss and damages, except taxes, if any. Company has not provided against this contingent liability and will meet the liability, if it arises, out of its funds and reserves.
6. The figure of salaries, wages and bonus of Rs. 36,106,716/- (P.Y.Rs. 29,224,200/-) includes annual contribution of Rs. 549,843/- (P.Y.Rs. 379,716/-) to Super Annuation scheme with Life Insurance Corporation of India.
7. The Company's Gratuity Trust has taken Group Gratuity Policy from the Life Insurance Corporation of India to adequately cover the present liability for future payments of Gratuity to the employees of the Company on actuarial valuation. As informed by Life Insurance Corporation of India, Company has paid Gratuity Premium of Rs. 1,277,031/- (P.Y. Rs. 1,146,795/-) As per mandatory accounting standard AS 15 Accounting for Retirement Benefits in the Financial Statements, the company has provided Rs.37,77,524/- towards shortfall in funding for the current year and Rs.43,01,309/- for previous years as per letter from the LIC.
8. As required by Accounting Standard (AS 22) "Taxes on income issued by The Institute of Chartered Accountants of India, which is mandatory in nature, the company has recognised deferred taxes, which result from timing differences between book profits and tax profits for the year aggregating Rs.12,51,727/- in the Profit and Loss Account, the details of which are as under:

Particulars	Balance Carried on 1.4.2007	Arising During the year	Balance carried as at 31.3.2008
Deferred Tax Assets			
VRS Compensation	190269	(91059)	99210
Expenses inadmissible U/S 40AB	-	1299276	1299276
Total	190269	1208217	1398486
Deferred Tax Liabilities			
On account of timing differences in Depreciation	233407	(43510)	189897
Total	233407	(43510)	189897
Grand Total	(43138)	1251727	1208589

9. 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) Name of the related party and nature of relationship where control exists

- | | |
|---|-----|
| 1. Associate Companies | |
| Asara Sales & Investments Pvt. Ltd. | |
| 2. Joint Venture Companies | Nil |
| 3. Companies controlled by Key Management Personnel | Nil |
| 4. Key Management Personnel | |

Name:- Gurunath J. Karandikar

Designation:- Managing Director

Relatives:- Wife - Pratibha G. Karandikar, Son - Shailesh G. Karandikar

Daughter - Shilpa S. Paranjape

(B) Related party transactions Nil

10. a) Details of Raw Materials & Stores Consumed

Particulars	Current Year	Previous Year
i) Iron & Steel Materials	15,244,271	19,016,058
ii) Wood	2,056,772	2,541,374
iii) Ball Bearing	2,091,898	2,483,121
iv) Electric Motors & Spares	7,369,436	7,709,884
v) Brought Out Finished Goods	29,598,272	25,966,607
vi) Others	14,670,715	15,892,423
vii) Stores	4,648,457	5,666,123
	75,679,821	79,275,590

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

b) Stock of finished goods

	Rice Mills (Nos)	Rice Mills (Nos)
	Current Year	Previous Year
Opening Stock of goods Produced as on 1.4.2007	0	[0]
Closing Stock of goods produced as on 31.3.2008	0	[0]

- c) Expenditure Incurred on employees who were in receipt of remuneration which in the aggregate was not less than Rs. 2,400,000 p.a. (Previous Year Rs. 2,400,000/= p.a.) if employed throughout the year and not less than Rs.200,000/= p.m.(Previous Year Rs. 200,000/= p.m.) if employed for the part of the year.

	Employed throughout the year	Employed for part of the year
i) Salaries Wages and Others	NIL	NIL
	[NIL]	[NIL]
ii) Contribution to P.F.	NIL	NIL
	[NIL]	[NIL]
iii) No. of Employees	NIL	NIL
	[NIL]	[NIL]

d) Details of Licensed Capacity & Actual Production :

Particulars	Licensed Capacity	Installed Capacity	Actual Production	
i) Rice Mills	240 Nos	240 Nos	13	[16]
ii) Modern Precleaners, Loose Machine & R.R. Shellers	800 Nos	800 Nos	561	[442]
iii) C.I. Castings	----	1900 MT	NIL	NIL
e) Value of Import (CIF Basis)				
i) Raw Materials & Components			-	-
f) Expenditure in Foreign Currency during the Financial year on account of				
i) Commission of Selling Agents			-	-
ii) Other Matters			417,794	153,180
g) I) Value of Imported Materials Consumed (including purchased locally)				
ii) Value of Indigenous Materials Consumed			75,679,821	79,275,590
iii) Percentage of Imported Materials consumed to total consumption			-	-
iv) Percentage of Indigenous Materials consumed to total consumption			100%	100%
h) I) Value of Exports on F.O.B. Basis				
ii) Amount remitted during the year in foreign currency on account of Dividend.			493,170	493,170
			NIL	NIL

I) Details of Turnover :	Current Year			Previous Year		
	Qty.	Unit	Sale Value	Qty.	Unit	Sale Value (Rs.)
1) Rice Milling Machinery (complete)	13	Nos	41,808,745	17	Nos.	44,996,173
2) Loose Machinery & Spares	542	Nos	129,961,303	435	Nos.	125,828,949
1) Commission paid to the Sole Selling Agents			Nil			Nil
2) Commission paid to Other Selling Agents			10,313,154			9,633,141
3) Brokerage & Discount on Sales other than usual trade discount.			Nil			Nil

Signature to Schedule A to O attached

As per our report of even date attached
For P. D. Ghanekar & Co.
Chartered Accountants

On behalf of the Board of directors

S.P. Ghanekar
Partner (M. No. 38811)
Mumbai

Prajakta Bhide
Company Secretary

G. J. Karandikar
Managing Director

Atul C. Kirloskar
Chairman

G. G. DANDEKAR MACHINE WORKS LIMITED**Cash Flow from Operating Activities**

	As on	31.3.2008	31.3.2007
	Rs. in Lacs		
Net Profit before Tax		539.89	2523.87
Adjustments for			
Depreciation	11.82		6.58
Interest on Borrowings	0.00		0.11
Interest Received	(157.04)		(32.32)
Dividend Received	(3.47)		(53.32)
(profit)/loss on sale of Assets	0.24		0.16
(profit)/loss on sale of Investments	(10.23)		(197.43)
(profit)/loss on sale of Investments	-		2.51
(profit)/loss on sale of Land	(27.65)		(1,888.30)
		(186.33)	(2162.01)
Operating Profit Before Working Capital changes		353.56	361.86
Adjustments for			
Trade & Other Receivables	(402.79)		(140.91)
Inventories	(27.09)		(49.44)
Trade Payables	(8.88)		112.68
		(438.76)	(77.67)
Cash Generated from Operations		(85.20)	284.19
Direct Taxes		179.00	(550.06)
Taxes Paid for earlier years		0.45	-
Interest paid		0.00	(0.11)
Net Cash used in Operating Activities (A)		94.25	(265.98)
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets		(26.53)	(21.31)
Sale of Fixed Assets		0.28	0.09
Sale of Land		28.47	1896.40
Sale of Investments		51.19	843.61
Purchases of Investment		(365.30)	(238.00)
Interest Received		157.04	32.32
Dividend Received		3.47	53.32
Cash from Investment Activity (B)		(151.38)	2566.43
CASH FLOW FROM FINANCING ACTIVITY			
Borrowing Net		-	-
Dividend Paid		(167.12)	(163.56)
Net Cash from Financing Activity (C)		(167.12)	(163.56)
Net Increase / (Decrease) In Cash and Cash Equivalent (A+B+C)		(224.25)	2136.89
Cash or Cash Equivalent as on 1st April,2007 (Opening Balance)		2242.87	105.98
Cash or Cash Equivalent as on 31st March,2008 (Closing Balance)		2018.62	2242.87

As per our report of even date attached
For P. D. Ghanekar & Co.
Chartered Accountants

On behalf of the Board of directors

S.P. Ghanekar
Partner (M.No. 38811)

Prajakta Bhide
Company Secretary

G. J. Karandikar
Managing Director

Atul C. Kirloskar
Chairman

Mumbai

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Balance Sheet Abstract and Company's General Business Profile :

1. Registration Details :

Registration No.	2869
State Code	11
Balance Sheet Date	31.03.2008

2. Capital raised during the year : (Amount in Rs. Lacs)

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placements	Nil

3. Position of mobilisation and deployment of funds : (Amount in Rs. Lacs)

Total Liabilities	2831.43
Total Assets	2831.43

Source of Funds

Paid up Capital	47.61
Share Money Pending Allotment	Nil
Reserves & Surplus	2783.82
Secured Loans	0.00
Unsecured Loans	0.00

Application of Funds :

Net Fixed Assets	49.45
Investments	615.72
Net Current Assets	2166.26
Miscellaneous Expenses & Losses	0.00

4. Performance of Company

Turnover (Sale of Products and Other Income)	1961.45
Total Expenditure	1421.57
Profit/(Loss) before Tax	539.88
Profit/(Loss) after Tax	368.30
Earnings per share (Rs.)	7.74
Dividend Rate (%)	300%

5. Products of the Company : Post Harvest Grain Processing Equipments

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

Notes :

- 1) The above particulars should be read along with the Balance Sheet as at 31st March, 2008, the Profit and Loss Account for the year ended on the date and the schedule forming part thereof.
- 2) Total Liabilities also include share capital Rs. 47.61 lacs and Reserve & Surplus Rs. 2,783.82 lacs.

As per our Report of even date

For P. D. Ghanekar & Co.
Chartered Accountants

On behalf of the Board of Directors

S. P. Ghanekar
Partner (M.No. 38811)

Prajakta Bhide
Company Secretary

G.J. Karandikar
Managing Director

Atul C. Kirloskar
Chairman

Mumbai, 23rd April, 2008