

Board of Directors :

Mr. Atul C. Kirloskar	Chairman
Mr. Nihal G. Kulkarni	Vice Chairman
Mr. Gurunath J. Karandikar	Managing Director (ceased with effect from 21 January 2009)
Mr. Dattatraya R. Swar	
Ms. Aditi V. Chirmule	
Mr. Vinod R. Sethi	
Mr. Jeetendra M. Shende	Executive Director (appointed with effect from 21 January 2009)

Company Secretary :

Mrs. Prajakta V. Gokhale

Auditors :

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

Registrar & Transfer Agents :

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

Registered Office :

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

Corporate Office:

10, Corporate Park, Swastik Mills Compound,
Sion Trombay Road, Chembur,
Mumbai 400 071

Information for Shareholders:

Annual General Meeting :
Date: 30 July 2009
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: 22 July 2009 to 30 July 2009
(both days inclusive)

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Directors' Report

To the Members,

The Directors have pleasure in presenting the 70th Annual Report together with Audited Annual Accounts of the Company for the Financial Year ended 31 March 2009.

1. Financial Performance:

	(Rupees)	
	Year ending March 31,	
	2009	2008
Sales (Net)	172,647,000	171,770,048
Other Income	23,458,119	16,822,424
Profit on sale of Fixed Assets	676,470	2,765,455
Profit on sale of Investments	84,215	1,022,878
Profit before Tax	61,393,905	53,988,608
Provision for Tax:		
Current Tax	20,000,000	18,000,000
Deferred Tax	101,396	(1,251,727)
Fringe Benefit Tax	430,000	410,000
Net Profit for the Year	40,862,509	36,830,335
Profit brought forward from the previous year	191,121,142	178,651,273
Amount available for appropriation	231,983,651	215,481,608
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	4,500,000	3,700,000
(d) Balance carried to Balance Sheet	210,502,839	191,121,142

2. Dividend

Your directors recommend a dividend of Rs. 3/- per share (300%) for the Financial Year ended 31 March 2009 (Previous Year Rs. 3/- per share (300%)).

3. Management Discussion & Analysis

The operations of the company involve Manufacturing, Sales, Installation, Commissioning and After Sales Service of machines used in processing food grains and cereals.

A. Industry Overview:

The industry, which is fragmented in nature and spread across the entire country witnessed a significant slowdown and postponement of projects during 2008-09. The slowdown was more severe especially in the last two quarters as the banking industry introduced stringent methods and processes for providing finance to the customers. The availability of Paddy also was hampered during this Financial Year resulting in a cautious approach by the rice millers and investors.

B. Company Performance:

During the year the company has achieved a turnover of Rs. 1726.47 Lacs (Previous Year 1717.70 Lacs) and operating profit of Rs. 359.69 Lacs (Previous Year 497.08 Lacs).

C. Opportunities and Threats:

During the Financial Year 2008-09, the Company has undertaken various initiatives in order to address multiple food grains markets and customers across India and some global markets. Your Company introduced higher capacity vibro cleaners and shellers in addition to the launching of color sorter. During this Financial Year the company exported to Bangladesh and Africa after a gap of almost 15 years.

During this Financial Year there was alarming increase in the influx of Chinese machines in some parts of the country. Given the current economic situation there is tendency with customers to opt for low cost, low technology Chinese equipment which offer better return on investment in the short term.

D. Concerns:

In addition to the global economic slowdown, this year the industry witnessed disturbing process changes by our competitors. This was a first time that major global manufacturers resorted to giving heavy discounts and long credit terms to the customers in order to get business. Your company has decided to have firm credit policies.

The Company's customers are demanding better finishing machines like Whiteners and Silky from major manufacturers. This would be an area of development in the near future.

E. Outlook:

The global scenario and Indian economy continue to give mixed signals to various components of the market and this may affect demand for machines as well as initiatives of new projects. The current fiscal will be a crucial year wherein the investors and millers will look at return on investment more critically than ever while selecting a manufacturer for the products and complete plants.

In the Financial Year 2009-10, the Company will focus on aggressive marketing in India to specific customers segments who value quality and long term business benefits. We will also work towards developing more African countries as a base for future growth. We also expect to increase presence Nepal, Bangladesh and Sri Lanka.

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.

F. Internal control system:

Renowned auditing firm continues to conduct the Internal Audit of the business unit of the Company. The internal audit program is designed to ensure extensive review of the business operations of the Company and is not restricted only to a review of finance and accounting functions. The internal auditors also check, validate and report on the internal controls in place in the areas covered during the audit.

G. Human Resources and Industrial Relations:

1. The Company adopted a clear policy of recruiting qualified, young and competent managers in various departments in order to enthuse energy and excitement which will directly influence creativity, innovation and dynamism in work place.
2. The organization structure is redesigned in line with the roles and responsibilities at each level. The salary, performance, incentive structure is also in line with the above, thus creates healthy and positive work culture amongst the employees.
3. The company enjoys cordial industrial relationships with its workers and their representatives. Thus evolving a 'Family' atmosphere in the factory.
4. No. of employees as on 31 March 2009 is 143 (Previous Year 147).

H. Subsidiaries:

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

Mr. Nihal Kulkarni (Vice-Chairman), Ms. Aditi Chirmule and Ms. Catherine Dorothy Hanam are the directors of the company. The first Financial Year of the subsidiary Company is from 22 August 2008 to 31 March 2009. The accounts of the subsidiary Company have been duly attached in this Annual Report and have been Consolidated appropriately.

4. Directors

Mr. Dattatraya R Swar & Mr. Vinod R Sethi retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

5. Corporate Governance

A report of the Corporate Governance, along with the certificate of compliance from the practicing Company Secretary, 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.

G. G. DANDEKAR MACHINE WORKS LIMITED.

The annual listing fees for the year under review has been paid to Bombay Stock Exchange Limited, 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

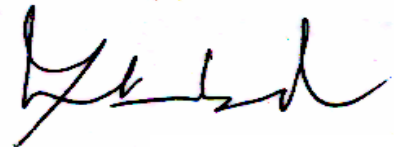
The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956, read with the rules there under is given in Annexure A forming part of this report.

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



Chairman

Date: 8 June 2009
Place: Pune

Annexure A

A. CONSERVATION OF ENERGY:

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

Particulars	Current Year 2008-09	Previous Year 2007-08
ELECTRICITY:		
(I) Purchased units	280,038	273,211
Total Amount	1552111	1,993,054
Rate/Unit (Rs.)	5.54	7.29
(II) Own Generation		
Through Diesel Generation	12654	41,225
Unit/Litre of Diesel	2.27	2.17
Cost/Unit	15.80	15.88

B. TECHNOLOGY ABSORPTION:

Research & Development:

1. PNU RUBBER ROLL SHELLER, Capacity - 5 MT/HR.

Sheller is called as a De-husker and it is vital machine in rice processing. This is a bigger capacity machine suitable for 5 MT/hr on paddy, to match with Foreign Competitor's Product. This machine will reduce the recurring expenses as well as reduce power consumption. The machines are developed and commercialized with regular production.

2. INTEGRAL HUSK SEPARATOR – SIZE 1200 IHS.

This is a bigger machine suitable for separation of shelled husk, having capacity 5MT/hr. This is designed to meet for large capacity rice mill plant. This machine can be used as a Aspirator for cleaning the polished rice on large scale.

C. FOREIGN EXCHANGE EARNING & OUTGO:

- 1) Foreign Exchange Earnings (FOB) : Rs. 16,332,036 (Previous Year : Rs. NIL)
 2) Foreign Exchange outgo : Rs. 450,794 (Previous Year Rs. 417,794)

Annexure B

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

G. G. DANDEKAR MACHINE WORKS LIMITED

COMPLIANCE CERTIFICATE

Company No.: 11 - 2869

G. G. DANDEKAR MACHINE WORKS LIMITED

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 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

- 1 The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
- 2 The company has filed the forms and returns, as stated in Annexure 'B' to this certificate with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
- 3 The Company being a Public Limited Company, comments are not required. However in any case Company during the year ended 31st March 2009:
 - 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 23/04/2008, 21/07/2008, 22/10/2008 and 21/01/2009 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 have passed nine resolutions by Circulation.
- 5 The company has closed its Register of Members from 19th July 2008 to 21st July 2008 during the financial year ended 31st March 2009 after complying with the provisions of Section 154 of the Act.
- 6 The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 21st July 2008 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 2009.
- 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 2009.
- 9 The company has not entered into any contracts as specified under section 297 of the Act during the financial year ended 31st March 2009.
- 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 2009, 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 2009.
- 13 The Company has:
 - a) not made any allotment of securities and the company had delivered all the certificates on lodgment thereof for transfer of shares in accordance with the provisions of the Act.
 - b) deposited the amount of dividend in a separate Bank account on 22nd July 2008 which was within 5 days from the date of declaration of such dividend.
 - c) Paid warrants for dividends to all the members within a period of 30(Thirty) days from the date of declaration.
 - d) transferred the amounts in Unpaid Dividend Account which have remained unclaimed, unpaid for a period of seven years to Investors Education and Protection Fund.
 - e) Duly complied with the requirements of Section 217 of the Act.
- 14 The board of directors of the company is duly constituted.
- 15 The company has appointed Mr. Jeetendra M. Shende as a whole time director to be designated as an Executive Director during the financial year ended on 31st March 2009.
- 16 The company has not appointed any sole selling agents during the financial year ended on 31st March 2009.
- 17 The company has not initiated any proceedings / actions during the financial year ended 31st March 2009, 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 2009.
- 20 The company has not bought back any shares during the financial year ending 31st March 2009.
- 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 2009. 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 2009.
- 24 The Company has not made any borrowings during the financial year ended 31st March 2009.
- 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 2009.
- 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 2009.
- 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 2009.
- 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 2009.
- 30 The Company has altered the provisions of Articles of Association after duly complying with the provisions of the Companies Act, 1956, during the year ended on 31st March 2009.
- 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 2009.
- 33 The Company has not framed any scheme of Provident Fund for its employees as contemplated by section 418 of the Companies Act 1956.

DATE: 11th May 2009
PLACE: PUNE

KANJ & ASSOCIATES
COMPANY SECRETARIES

Sd/-
MAHESH A ATHAVALE
PARTNER
CP NO.: 1488

G. G. DANDEKAR MACHINE WORKS LIMITED

COMPLIANCE CERTIFICATE G. G. DANDEKAR MACHINE WORKS LIMITED

Annexure A

Statutory Registers as maintained by the Company during the financial year ended 31st March 2009.

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

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March, 2009

Sr. No.	Particulars of Form	Sec No.	Purpose of Filing	Date of Filing & SRN
1	Form 25C	269	Appointment of Mr. Karandikar as a Managing Director	30/05/2008, A38620746
2	Form 1AA	5	Appointment of Mr. Karandikar as a Compliance Officer	16/06/2008, A39337969
3	Annual Accounts for year ended 31 st March, 2008 (Form 23AC & 23ACA)	220	Annual Filing	07/08/2008, P20332094
4	Compliance Certificate for the year ended 31 st March, 2008 (Form 66)	383(A)	Annual Filing	07/08/2008, P20332532
5	Form 23	192	Alteration of Articles of Association to delete the redundant provisions	09/08/2008, A42880831
6	Annual Return as on 21 st July, 2008 (Form 20B)	159	Annual Filing	27/08/2008, P20727277
7	Form 5		Sub-division of shares from Rs. 10/- to Re. 1/-	01/09/2008, A44146124
8	Form 1 (IEPF)	205A	Transfer of Unclaimed dividend	08/09/2008, A45155850
9	DIN 1 Application – Mr. Shende	266A		08/01/2009, A53793063
10	Form 32 Resignation of Mr. Karandikar as Managing Director and Appointment of Mr. Shende as Executive Director	303(2)	Appointment of Directors	29/01/2009, A55086284
11	Form 1AA	5	Appointment of Mr. Shende as a Compliance officer	09/02/2009, A55804306
12	Form 23 Appointment of Mr. Shende as Whole Time Director designated as an Executive Director	192	Registration of Resolution	11/02/2009, A55928923
13	Form 25C	269	Appointment of Whole Time Director	11/02/2009, A55929616

**KANJ & ASSOCIATES
COMPANY SECRETARIES**

**DATE: 11th May 2009
PLACE: PUNE**

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

**REPORT ON CORPORATE GOVERNANCE
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

a. Composition of the Board

The strength of the Board was six Directors as on 31 March 2009, comprising of one Executive Director and five Non-Executive Directors, including Chairman. The Non-Executive Directors constituted more than one third of the total number of Directors. Three out of six Directors are independent directors, which is in compliance 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 23 April 2008, 21 July 2008, 22 October 2008 and 21 January 2009.

c. Director's attendance record and other directorships held

The information on the composition of the Board as on 31 March 2009, 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 2008-09 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 + @	4	Present	4	5	-
2	Mr. Gurunath J. Karandikar*	ED	3	Present	-	-	-
3	Mr. Nihal G. Kulkarni	VC and NED @	4	Present	1	-	-
4	Ms. Aditi V. Chirmule	I and NED	4	Present	-	-	-
5	Mr. Dattatraya R. Swar	I and NED	4	Present	1	-	-
6	Mr. Vinod R. Sethi	I and NED	2	Present	10	2	10
7	Mr. Jeetendra M Shende**	ED	1	NA	-	-	-

Abbreviations:

ED : Executive Director, I : Independent Director, NED : Non-Executive Director, +C : Chairman, #M : Member, @ : Deemed as Promoters within the meaning of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

* Ceased to be a Director with effect from 21 January 2009 at the close of Board Meeting.

** Appointed as an Additional Director and designated as an Executive Director with effect from 21 January 2009.

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

Shareholding of Non Executive Directors:

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

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

3. AUDIT COMMITTEE

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

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

During the year under review, 4 meetings of the Committee were held on 23 April 2008, 21 July 2008, 22 October 2008 and 21 January 2009. The composition of the committee and attendance at its meetings is given below:

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

The Audit Committee meetings are attended by the Managing Director or Executive Director, as the case may be, Finance Manager and the representatives of the Internal Auditors and 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 Directors 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 21 July 2004, approved the payment of commission to the Non-Executive Directors, not exceeding 1% or 3% as specified in Section 309 of the Companies Act, 1956, of the net profits of the Company computed in the manner laid down in Sections 349 and 350 of the Companies Act, 1956. This

resolution is due for renewal. The same has been included in the Notice of Annual General Meeting to be held on 30 July 2009 for the further renewal of 5 years starting from 1 April 2010.

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 paid to the Directors.

Remuneration of the Directors during the year 2008-09

(Amount Rs.)

Directors	Salary	Perquisites	Allowances	Commission	Sitting Fees	Total
Mr. Atul C. Kirloskar	-	-	-	29,573	20,000	49,573
Mr. Nihal G. Kulkarni	-	-	-	81,323	55,000	136,323
Mr. Gurunath J. Karandikar*	900,000	472,810	90,000	-	-	1,462,810
Mr. Jeetendra M. Shende**	77,000	156,395	124,800	-	-	326,600
Mr. Dattatraya R. Swar	-	-	-	59,144	40,000	99,144
Ms. Aditi V. Chirmule	-	-	-	81,323	55,000	136,323
Mr. Vinod R. Sethi	-	-	-	29,572	20,000	49,572
Total	977,000	629,205	214,800	280,935	190,000	2,260,345

Notes: Salary includes 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.

* Mr. Gurunath J. Karandikar ceased to be a Director with effect from 21 January 2009 at the close of the Board Meeting.

** Mr. Jeetendra M. Shende was appointed with effect from 21 January 2009 and his salary as such is to be considered only for the period 21 January 2009 to 31 March 2009.

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

5. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee of the Board has been constituted to look into complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend etc., and redressal thereof. The Committee is headed by Ms. Aditi V Chirmule (Non Executive Director) as Chairperson and other members of the Committee are Mr. Nihal G Kulkarni, Mr. Gurunath J Karandikar (till 21 January 2009) and Mr. Jeetendra M Shende, (with effect from 21 January 2009). The Compliance Officer can be contacted at:

G G Dandekar Machine Works Limited
Corporate Office: 10, Corporate Park, Swastik Mills Compound,
Sion Trombay Road, Chembur, Mumbai 400 071
Tel: 022 – 25287584/25275075 Fax: 022 - 25278029
E-mail: jiten.shende@ggdandekar.com

The total number of complaints received and replied to the satisfaction of the shareholders during the year ended 31 March 2009 were thirty five (35) and there were no complaints outstanding as on 31 March 2009.

The Company had no share transfer requests pending as on 31 March 2009.

6. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue
2005-2006	10 July 2006	10.30 a.m.	Regd. Office
2006-2007*	23 July 2007	11.00 a.m.	Regd. Office
2007-2008**	21 July 2008	11.00 a.m.	Regd. Office

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

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

** Alteration of Articles of Association of the Company by replacing and / or omitting or deleting the redundant provisions.

No special resolutions passed at the above Annual General Meetings were required to be 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. 11 of Notes forming part of Balance Sheet as on 31 March 2009 and Profit and Loss Account for the year ended 31 March 2009.

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 Exchange, 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, is not 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 of the Bombay Stock Exchange Limited, the Company does not send any declaration of half yearly performance to the shareholders.

iii. Audit qualification:

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

8. PARTICULARS OF RE-APPOINTMENT OF DIRECTORS

Mr. Dattatraya R Swar :

Mr. Dattatraya R Swar, who is a graduate in Mechanical Engineering, joined the Company in December 2006. Besides being a qualified Engineer, he holds Diploma in Purchasing Management from American Society and Diploma in Material Management from Jamanalal Bajaj Institute of Management. He has over 20 years of experience working with Kirloskar Oil Engines Limited. He has experience in varied fields such as Purchase, Vendor Development, Materials Management and Manufacturing.

As the head of the Materials Development in Kirloskar Oil Engines Limited, he implemented cost reduction programmes vigorously. His efforts in productivity improvement, cost reduction, introduction of new concepts in manufacturing, paid rich dividends to Kirloskar Oil Engines Limited.

He is also a Director in Swaraj Engines Limited and in Kirloskar Integrated Technologies Limited.

He does not hold any equity shares in the Company.

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

No Director other than Mr. Dattatraya R. Swar is concerned or interested in the above item.

Mr. Vinod R. Sethi :

Mr. Vinod R. Sethi is a graduate in Chemical Engineering from Indian Institute of Technology (IIT) - Mumbai and has done his Masters in Finance from the Stern School of Business, New York. He established the Indian business for Morgan Stanley and was its Chief Investment Officer for 12 years, where the business grew in excess of USD 2 billion in assets.

He is also a Director in following companies:

Sr. No.	Name of the Company	Committee Positions
1	GTL Limited	Member – Audit Committee and Nomination & Remuneration Committee
2	Subex Limited	Member - Audit Committee and General Management Committee Chairman – Remuneration Committee
3	Geodesic Information Systems Limited	Member - Audit Committee , Compliance Committee, Compensation Committee and Sexual Harassment Prevention Committee Chairman – Remuneration Committee
4	Advanta India Limited	Member – Audit Committee
5	Axsys Health Tech Limited	-
6	Mount Everest Mineral Water Limited	Member – Audit Committee
7	KCP Sugar & Industries Limited	-
8	United Phosphorus Limited	-
9	ITZ Cash Card Limited	-
10	Orbis Financial Corporation Limited	-
11	Sethi Funds Management Private Limited	-
12	Durgamba Investments Private Limited	-

He does not hold any equity shares in the Company.

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

No Director other than Mr. Vinod R. Sethi 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 FinancialExpress in English and 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	30 July 2009, Thursday
Venue	Registered office of the Company at: Dandekarwadi, Bhiwandi 421 302, Dist. Thane.
Financial Calendar	1 April 2008 to 31 March 2009 During the year the results were announced as under: First quarter: on 21 July 2008 Second quarter: on 22 October 2008 Third quarter: on 21 January 2009 Annual: on 24 April 2009
Date of Book Closure	22 July 2009 – 30 July 2009 (both days inclusive)
Dividend payment date	10 August 2009
Listing on stock exchanges (Stock Code)	The Company's shares are listed on: Bombay Stock Exchange Limited, Mumbai (505250)

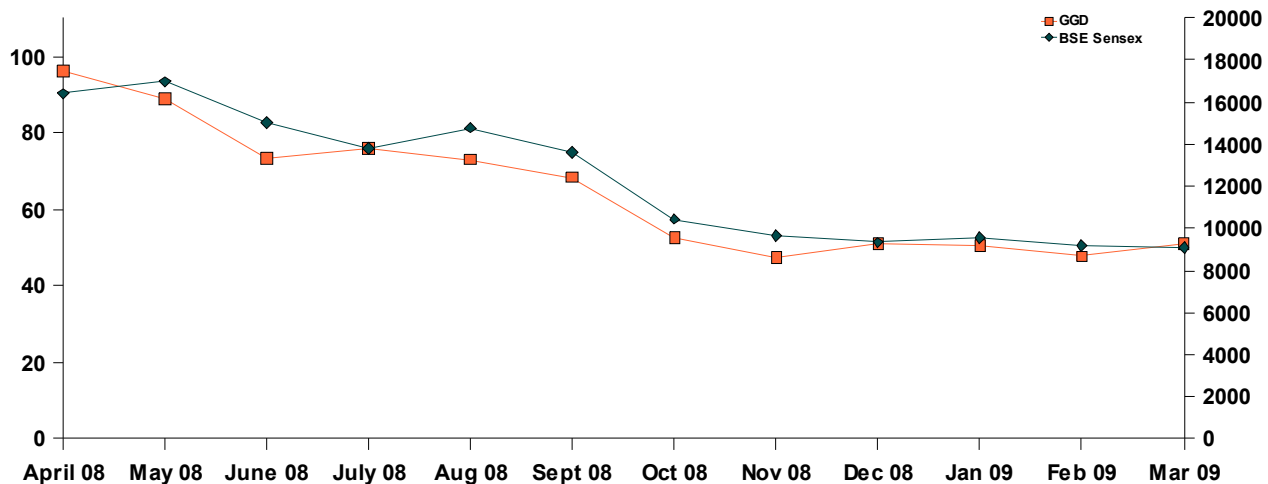
G. G. DANDEKAR MACHINE WORKS LIMITED

Market Price Data

Monthly high/low during the year 2008-2009 on the Bombay Stock Exchange Limited:

Bombay Stock Exchange Limited, Mumbai		
Month	High (Rs.)	Low (Rs.)
April 2008	108.00	84.55
May 2008	97.50	80.00
June 2008	83.65	63.05
July 2008	89.00	63.00
August 2008	76.00	70.00
September 2008	77.50	59.15
October 2008	65.75	39.50
November 2008	52.95	42.00
December 2008	58.00	44.00
January 2009	54.90	46.00
February 2009	53.20	42.10
March 2009	59.85	42.10

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



Distribution of Shareholding (as on 31 March 2009)

Range of shares		Number of holders		% to total holders		Total face value (Rs.)		% to total face value	
From	To	Physical	Demat	Physical	Demat	Physical	Demat	Physical	Demat
1	500	360	2400	10.8565	72.3764	102480	357627	2.1523	7.5110
501	1000	76	218	2.2919	6.5742	65520	175826	1.3761	3.6927
1,001	2000	42	113	1.2666	3.4077	65970	169937	1.3855	3.5691
2,001	3000	17	21	0.5127	0.6333	42570	51870	0.8941	1.0894
3,001	4000	10	8	0.3016	0.2413	34920	27257	0.7334	0.5725
4,001	5000	5	11	0.1508	0.3317	22050	50651	0.4631	1.0638
5,001	10000	6	13	0.1809	0.3920	42210	101723	0.8865	2.1364
10,001	and above	4	12	0.1206	0.3619	86670	3364106	1.8203	70.6539
SUBTOTAL		520	2796	15.6815	84.3185	462390	4298997	9.7112	90.2888
TOTAL		3316		100.00		4,761,387		100.00	

Shareholding Pattern as on 31 March 2009

Category	No. of shares	%
Promoters	2381770	50.02
Resident Individuals	1419455	29.81
Private Corporate Bodies	374577	7.87
Financial Institutions	558990	11.74
Nationalised and other Banks	8100	0.17
FII's and NRIs	18495	0.39
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 Engines India Limited, Kirloskar Pneumatic Company Limited, Kirloskar Ferrous Industries Limited, Pooja Credits Private Limited, Kirloskar Systems Limited, Asara Sales & Investments Private Limited, Navsai Investments Private Limited, Prakar Investments Private Limited, Alpak Investments Private Limited, Achyut & Neeta Holdings & Finance Private Limited, Sri Harihareshwara Finance & Investments Private Limited, Cees Investments and Consultants Private Limited, Kirloskar Integrated Technologies Limited (Formerly known as 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, The Kolhapur Steel Limited, Koppal Mines & Minerals Private 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, Komal Kulkarni, Vikram S. Kirloskar, Geetanjali Kirloskar, Manasi Kirloskar, Roopa Gupta and Chandrashekhar H. Naniwadekar.

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

Link Intime India Private Limited	Block No. 202, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune 411 001 Email ID: pune@linkintime.co.in
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Share Transfer System:

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

Dematerialisation of shares:

As on 31 March 2009, 4,298,997 equity shares being 90.29% 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,

Plant Locations:

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

Address for correspondence:

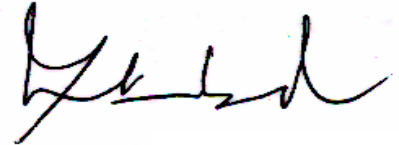
Shareholders' correspondence should be addressed to Link Intime India Private Limited, Registrar and Share Transfer Agent at the address mentioned below.

Link Intime India Private Limited,
Block No. 202, Akshay Complex,
Off Dhole Patil Road,
Near Ganesh Temple, Pune 411 001

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.



Chairman

Place: Pune
Date: 8 June 2009

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, 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited.

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

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

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

For **KANJ & ASSOCIATES,**
Company Secretaries

MAHESH A. ATHAVALE
Partner

Place: Pune
Date : 8 June 2009

Auditor's Report on Financial Statements.

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 31 March 2009, the Profit and Loss account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principle used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 (9) regarding diminution in the value of investments by Rs.13,898,959/-, 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 31 March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2009 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 31 March 2009;
 - (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

Sd/-
(S.P. Ghanekar)
Partner
M. No. 38811

Pune, 8 June 2009

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.
Clauses (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 31 March 2009 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.

G. G. DANDEKAR MACHINE WORKS LIMITED

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 explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For M/s. P.D. Ghanekar & Company
Chartered Accountants
Sd/-
(S.P. Ghanekar)
Partner
M. No. 38811

Pune, 8 June 2009

**G.G.DANDEKAR MACHINE WORKS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2009**

(Amount Rs)

SOURCES OF FUNDS:**1 SHAREHOLDERS FUNDS**

	Sch.	Current Year	Previous Year
a) Share Capital	A	<u>4,761,387</u>	<u>4,761,387</u>
b) Reserves & Surplus	B	<u>302,263,810</u>	<u>278,382,113</u>
		<u>307,025,197</u>	<u>283,143,500</u>

2 DEFFERED TAX BALANCE

(Refer Note No.10)

<u>101,396</u>	<u>-</u>
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3 LOAN FUNDS

a) Secured Loans	C	<u>-</u>	<u>-</u>
b) Unsecured Loans	D	<u>-</u>	<u>-</u>
		<u>0</u>	<u>0</u>

TOTAL

<u>307,126,593</u>	<u>283,143,500</u>
---------------------------	---------------------------

APPLICATION OF FUNDS:**1 FIXED ASSETS**

	E	Current Year	Previous Year
Gross Block		20,930,685	21,807,365
Less:- Depreciation		<u>16,467,396</u>	<u>16,862,220</u>
		<u>4,463,289</u>	<u>4,945,145</u>

2 INVESTMENTS

F	<u>143,265,053</u>	<u>61,572,155</u>
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3 NET CURRENT ASSETS

a) Current Assets, Loans & Advances	G	198,281,725	255,120,150
b) Current Liabilities & Provisions	H	<u>38,883,474</u>	<u>39,702,539</u>
		<u>159,398,251</u>	<u>215,417,611</u>

4 DEFFERED TAX BALANCE

(Refer Note No.10)

-	1,208,589
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TOTAL

<u>307,126,593</u>	<u>283,143,500</u>
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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

On behalf of the Board of directors

For P. D. Ghanekar & Co.
Chartered Accountants

S.P. Ghanekar
Partner (M.No. 38811)
Pune , 8 June 2009

Prajakta V Gokhale
Company Secretary

Jeetendra M Shende
Executive Director
Pune , 8 June 2009

Atul C Kirloskar
Chairman

G. G. DANDEKAR MACHINE WORKS LIMITED

G.G.DANDEKAR MACHINE WORKS LTD. PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

		(Amount Rs)	
		Current Year	Previous Year
INCOME			
1	Sales(Net)	172,647,000	171,770,048
2	Other Income	23,458,119	16,822,424
	Increase/(decrease) in the value of Finished Goods & Work-in-progress	420,544	3,764,418
TOTAL		196,525,663	192,356,890
EXPENDITURE			
4	Materials Consumed	75,663,158	75,679,821
5	Payments to & Provisions for Employees	33,077,668	36,111,965
6	General Expenditure	25,992,820	29,182,662
7	Interest	0	0
8	Depreciation	1,158,796	1,182,167
TOTAL		135,892,443	142,156,615
9	Profit before exceptional items & taxes	60,633,220	50,200,275
10	Profit on sale on Investments	84,215	1,022,878
11	Loss on sale on Investments	0	0
12	Profit on sale of Fixed asset	676,470	2,765,455
13	Profit before tax	61,393,905	53,988,608
14	Provision for tax	20,000,000	18,000,000
15	Provision for deferred tax	101,396	(1,251,727)
16	Provision for Fringe Benefit Tax	430,000	410,000
17	Net Profit	40,862,509	36,830,335
18	Balance brought forward.	191,121,142	178,651,273
PROFIT AVAILABLE FOR APPROPRIATION.		231,983,651	215,481,608
19	Short provision for Income Tax for earlier years	269,058	(352,597)
20	Provision for Gratuity for earlier years as per AS 15	0	4,301,309
21	Proposed Dividend	14,284,161	14,284,161
22	Corporate Dividend Tax on Dividend	2,427,593	2,427,593
23	Transferred to General Reserve	4,500,000	3,700,000
24	Balance carried forward.	210,502,839	191,121,142

Notes to the 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)

Prajakta V Gokhale
Company Secretary

Jeetendra M Shende
Executive Director

Atul C Kirloskar
Chairman

Pune, 8 June 2009

Pune, 8 June 2009

**SCHEDULES 'A' TO 'O' ANNEXED TO & FORMING PART OF THE BALANCE SHEET
AND PROFIT AND LOSS ACCOUNT AS ON 31ST MARCH, 2009.**

SCHEDULE 'A' SHARE CAPITAL	(Amount Rs.)	
	Current Year	Previous Year
AUTHORISED CAPITAL		
20,000,000 Equity Shares of Re.1/- each	<u>20,000,000</u>	<u>20,000,000</u>
(Previous Year 20,000,000 Equity Shares of Rs.1/- each)		

ISSUED, SUBSCRIBED & PAID-UP CAPITAL :

4,761,387 Equity Shares of Rs.1/- each	<u>4,761,387</u>	<u>4,761,387</u>
(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 :

	(Amount Rs.)	
	Current Year	Previous Year
GENERAL RESERVE		
As per last Balance Sheet	<u>87,260,971</u>	<u>83,560,971</u>
Add: Transferred from Profit & Loss Appropriation A/C	4,500,000	3,700,000
Total	<u>91,760,971</u>	<u>87,260,971</u>

SURPLUS AS PER PROFIT & LOSS A/c

Surplus	210,502,839	191,121,142
Total	<u>302,263,810</u>	<u>278,382,113</u>

SCHEDULE "C" SECURED LOANS :

	(Amount Rs.)	
	Current Year	Previous Year
Bank of Maharashtra, Bhiwandi Branch		
(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 credit arrangements of Rs. 9,500,000).	0	0
Total	<u>0</u>	<u>0</u>

SCHEDULE "D" UNSECURED LOANS :

	(Amount Rs.)	
	Current Year	Previous Year
Security Deposits	0	0
Fixed Deposits	0	0
Total	<u>0</u>	<u>0</u>

G. G. DANDEKAR MACHINE WORKS LIMITED

SCHEDULE ' E ' FIXED ASSETS										
(Amount Rs.)										
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.4.2008	Additions during the Year	Sold out during the Year	Total	Written off in Previous Years (till last year)	Adj. Of Sales during the Year	Written off During the Year	Total	As on 31.3.2009	As on 31.3.2008
GOODWILL	1	0	0	1	0	0	0	0	1	1
				0						
FREEHOLD LAND	52,212	0	0	52,212	0	0	0	0	52,212	52,212
				0						
BUILDING	4,113,929	44,000	0	4,157,929	3,391,083	0	36,498	3,427,581	730,348	722,846
PLANT & MACHINERY	8,800,842	0	834,826	7,966,016	8,487,331	834,826	38,134	7,690,639	275,377	313,511
COMPUTER MACHINERY	2,677,686	287,316	0	2,965,002	1,877,242	0	392,854	2,270,096	694,906	800,444
COMPUTER SOFTWARE	1,846,500	596,032	0	2,442,532	307,750	0	299,382	607,132	1,835,400	1,538,750
FURNITURE, FIXTURE & OFFICE EQUIPMENTS	1,859,738	393,298	0	2,253,036	1,399,096	0	128,999	1,528,095	724,941	460,642
VEHICLES	2,456,457	0	1,362,500	1,093,957	1,399,718	718,794	262,929	943,853	150,104	1,056,739
TOTAL	21,807,365	1,320,646	2,197,326	20,930,685	16,862,220	1,553,620	1,158,796	16,467,396	4,463,289	4,945,145
Previous Year	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

	(Amount Rs.)	
	Current Year	Previous Year
SCHEDULE " F" - INVESTMENT - LONG TERM -AT COST :		
I. GOVT. & TRUST SECURITIES		
(Unquoted)		
UTI 6.75% Tax free Bonds	28,500	17,316,600
(173,166 Units of Rs.100/each (Market Value Rs.17,316,600/-)		
Rural Electrification Corporation Bonds	5,000,000	5,000,000
(5000 units of Rs.1,000/- each)		
Total	5,028,500	22,316,600
OTHER INVESTMENTS		
II. Equity Shares (Quoted)		
Subex Ltd.	6,654,695	6,654,695
(12,000 equity shares of Rs.5/- each fully paid) (Market Value Rs.272400/-/-)		
Nucleus Software Ltd.	10,770,204	10,770,204
(24,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.1220400/-)		
Bharat Petroleum Corporation Ltd	0	3,756,655
(11,000 equity shares of Rs.10/- each fully paid)		
Indraprastha Gas Ltd.	4,024,029	4,024,029
(40,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.4348000/-)		
Gujarath Gas Company Ltd.	3,959,883	3,959,883
(15000 equity shares of Rs.2/- each fully paid) (Market Value Rs. 4121250/-)		
GAIL India Ltd.	4,223,939	4,223,939
(15000 equity shares of Rs.10/- each fully paid) (Market Value Rs.3663750/-)		
Marico Ltd.	1,812,062	1,812,062
(30,000 equity shares of Re.1/- each fully paid) (Market Value Rs. 1801500/-)		
NIIT Technologies Ltd.	1,338,779	1,328,965
(10,150 equity shares of Rs.10/- each fully paid) (Market Value Rs. 538457.50)		
Container corporation of India Ltd.	1,984,727	0
(2800 equity shares of Rs.10/- each fully paid) (Market Value Rs. 2005220/-)		

G. G. DANDEKAR MACHINE WORKS LIMITED

	Current Year	(Amount Rs.) Previous Year
Lakshmi Machine Works Ltd. (3849 equity shares of Rs.10/- each fully paid) (Market Value Rs. 1943360.10)	884,077	0
Thermax Ltd. (9422 equity shares of Rs.02/- each fully paid) (Market Value Rs.1703968.70)	1,547,736	0
Crisil Ltd. (2,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.5402300/-)	5,029,303	0
ICRA Ltd. (8607 equity shares of Rs.10/- each fully paid) (Market Value Rs.4207101.60)	3,888,064	0
Deccan Chronicle Holdings Ltd. (2,00 equity shares of Rs.02/- each fully paid) (Market Value Rs.9480/-)	8,634	0
Investment in Wholly Owned Subsidiary Company in Singapore.	71,523,340	0
Total	117,649,472	36,530,434
III. Equity Shares (Unquoted)		
2 shares of Rs. 50/- each fully paid up of Maharashtra State Co-op Bank Ltd.	121	121
1000 Shares of Rs. 10/- each fully paid up The Saraswat Co.op Bank Ltd.	10,000	10,000
5 shares of Rs. 1000/- each fully paid up of The Engineering Raw Mat. Cons. Corp. Ltd.	5,000	5,000
Total	15,121	15,121
IV. MUTUAL FUNDS :		
GROWTH SCHEME		
HDFC Floating Rate Income Fund - Growth (Market Value Rs.3,685,000/-)	2,500,000	2,500,000
DIVIDEND SCHEME		
UTI MNC Fund (Market Value Rs.388,500/-)	210,000	210,000
UTI Mutual Funds (Market Value Rs.17,488,445/-)	17,861,960	0
Total	20,571,960	2,710,000
TOTAL (I + II + III + IV)	143,265,053	61,572,155
(Market Value of Investments -Rs.129,366,094/-)		

SCHEDULE "G" CURRENT ASSETS, LOANS & ADVANCES	(Amount Rs.)	
	Current Year	Previous Year
CURRENT ASSETS :		
INCOME ACCRUED AND DUE :	1,677,954	2,445,933
INVENTORIES :		
Stores & Accessories.	1,000,019	507,130
Raw Materials	13,747,536	11,878,140
Finished Goods.	7,999,600	8,202,197
Work-in-progress	3,964,200	3,341,059
(As per Inventory taken, valued & certified by the Management)		
Total	26,711,355	23,928,526
SUNDRY DEBTORS :		
Debtors Outstanding for more than 6 months.(unsecured & considered good)	0	0
Other Debts	3,474,948	735,173
Total	3,474,948	735,173
CASH AND BANK BALANCES :		
Cash in hand (including stamps)	4,390	97,130
In Current Account with Scheduled Banks	5,015,099	4,765,090
Deposits with Banks.	135,100,000	197,000,000
Total	140,119,489	201,862,220
LOANS AND ADVANCES :		
(Unsecured and considered Good)		
Advance-Recoverable in cash or in kind or for value to be received :		
Advance for Purchases	2,596,918	1,894,821
Advance for Expenses.	683,191	1,892,622
Unclaimed Dividend	1,490,751	1,490,751
Unclaimed amount of Scheme of Arrangement	1,870,715	1,870,715
Advance to Staff & Workers	277,266	732,900
Sundry Deposits including Deposits with Govt. Undertakings.	992,275	586,702
Advance Income Tax including Tax Deducted at Source.(Net of Provision for Taxation)	2,299,229	1,592,153
Receivable Against Sale of Land	16,087,634	16,087,634
Total	26,297,979	26,148,298
TOTAL	198,281,725	255,120,150

G. G. DANDEKAR MACHINE WORKS LIMITED

SCHEDULE "H" CURRENT LIABILITIES & PROVISIONS

	(Amount Rs.)	
	Current Year	Previous Year
CURRENT LIABILITIES :		
Sundry Creditors for :		
Goods Supplied	2,503,681	2,114,521
Other Expenses & Advances	11,725,638	13,824,274
Advances against Orders	4,300,000	3,690,524
Unclaimed amount of S of A	1,870,715	1,870,715
Unclaimed Dividends	1,490,751	1,490,751
Directors' Commission Payable	280,935	0
Total	22,171,720	22,990,785
PROVISIONS :		
Proposed Dividend	14,284,161	14,284,161
Corporate Dividend Tax.	2,427,593	2,427,593
Total	16,711,754	16,711,754
TOTAL	38,883,474	39,702,539

SCHEDULE "I" OTHER INCOME :

Interest	21,800,904	15,704,534
Dividend	1,135,759	346,974
Property Income	0	65,507
Miscellaneous Income	521,456	705,409
Exchange Earning	0	0
TOTAL	23,458,119	16,822,424

SCHEDULE "J" MATERIALS CONSUMED :

	(Amount Rs.)	
	Current Year	Previous Year
Consumption of Raw Materials		
Opening Stock	11,878,140	12,609,334
Add : Purchases	73,625,696	70,300,170
	85,503,836	82,909,504
Less : Closing Stock	13,770,987	11,878,140
	71,732,848	71,031,364
Consumption of Stores :		
Opening Stock	507,130	831,997
Add : Purchases	4,423,199	4,323,590
	4,930,329	5,155,587
Less : Closing Stock.	1,000,019	507,130
	3,930,310	4,648,457
Consumption	75,663,158	75,679,821

SCHEDULE "K" PAYMENTS TO & PROVISIONS FOR EMPLOYEES :	(Amount Rs.)	
	Current Year	Previous Year
Salaries, Wages and Bonus	31,116,566	27,715,763
Welfare Expenses	1,013,664	1,085,564
VRS	0	0
Contribution to Gratuity Fund	806,446	1,322,031
Contribution to PF & ESI	2,334,997	2,211,083
Provision for Gratuity for the year as per AS 15	(2,194,005)	3,777,524
TOTAL	33,077,668	36,111,965

SCHEDULE "L" GENERAL EXPENDITURE :	(Amount Rs.)	
	Current Year	Previous Year
Packing, Freight & Transport	1,499,653	3,557,333
Power & Fuel	1,346,004	2,647,404
Insurance	955,981	649,452
Repairs to :		
Plant & Machinery	116,351	501,593
Building	208,645	330,952
Other Assets.	286,175	615,059
Colony	203,606	59,820
Repairing & shifting Exps.	0	0
	814,776	1,507,424
Payment to Auditors :		
Audit Fees	110,000	100,000
Tax Audit Fees	40,000	40,000
Certificates & Other Matters	0	0
Payment to Internal Auditors	37,140	50,000
Service Tax on Audit Fees	4,591	6,180
	191,731	196,180
Legal & Professional Fees	947,919	2,015,767
Research & Development	1,415,175	904,603
Commission to Dealers.	5,686,211	10,313,154
Taxes & Assessment	2,244,620	372,754
Directors' Commission (Refer Schedule "M")	280,935	0
Directors' Sitting Fees	190,000	180,000
Miscellaneous Expenses :		
Motor Car & Traveling Expenses	2,887,851	2,942,423
Foreign Travel	985,251	670,810
Advertisement & Propaganda	880,888	226,122
Printing, Stationary & Postage Expenses	448,943	561,454
Telephone & Telex Charges	607,507	387,015
Others	4,609,375	2,026,447
	10,419,815	6,814,271
Loss on Sale of Assets	0	24,320
TOTAL	25,992,820	29,182,662

G. G. DANDEKAR MACHINE WORKS LIMITED

	(Amount Rs.)	
	Current Year	Previous Year
SCHEDULE 'M' COMPUTATION OF COMMISSION		
PAYABLE TO DIRECTORS :		
Profit for the Year (Before Tax)		
As per Profit & Loss A/c	61,393,905	53,988,608
Add: Loss on sale of Investment	0	0
Add : Directors' Commission	280,935	0
A	<u>61,674,840</u>	<u>53,988,608</u>
Less: Profit on sale of Investment	84,215	1,022,878
Less: Profit on sale of Land	<u>676,470</u>	<u>2,765,455</u>
B	<u>760,685</u>	<u>3,788,333</u>
Eligible Profits A - B	<u>60,914,155</u>	<u>50,200,275</u>
Directors' Commission Payable	<u>280,935</u>	<u>0</u>
SCHEDULE 'N' INCREASE/ (DECREASE) IN THE VALUE OF STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS :		
OPENING STOCK :		
	Current Year	Previous Year
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>
Less : CLOSING STOCK.		
Finished Goods	7,999,600	8,202,197
Work-in-Progress	3,964,200	3,341,059
	<u>11,963,800</u>	<u>11,543,256</u>
INCREASE/(DECREASE)	<u>420,544</u>	<u>3,764,418</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	(Rs. In Lacs)	
	As on 31.3.2009	As on 31.03.2008
Cash Flow from Operating Activities		
Net Profit before Tax	613.93	539.89
Adjustments for		
Depreciation	11.59	11.82
Interest on Borrowings	0.00	0.00
Interest Received	(218.00)	(157.04)
Dividend Received	(11.36)	(3.47)
(profit)/loss on sale of Assets	(6.76)	0.24
(profit)/loss on sale of Investments	(0.84)	(10.23)
(profit)/loss on sale of Investments	-	-
(profit)/loss on sale of Land	-	(27.65)
	<u>(225.37)</u>	<u>(186.33)</u>
Operating Profit Before Working Capital changes	<u>388.56</u>	<u>353.56</u>
Adjustments for		
Trade & Other Receivables	(14.14)	(0.15)
Inventories	(27.83)	(27.09)
Trade Payables	(8.19)	(52.62)
	<u>(50.16)</u>	<u>(79.86)</u>
Cash Generated from Operations	<u>338.40</u>	<u>273.70</u>
Direct Taxes	(200.00)	(179.00)
Taxes Paid for earlier years	(2.70)	(0.45)
Interest paid	0.00	0.00
Net Cash from Operating Activities (A)	<u>135.70</u>	<u>94.25</u>
Cash Flow from Investing Activities :		
Purchase of Fixed Assests	(13.28)	(26.53)
Sale of Fixed Assests	14.84	0.28
Sale of Land	0.00	28.47
Sale of Investments	0.00	51.19
Purchases of Investment	(816.93)	(365.30)
Interest Received	218	157.04
Dividend Received	11.36	3.47
Net Cash used in Investing Activities : (B)	<u>(586.01)</u>	<u>(151.38)</u>
Cash Flow from Financing Activity		
Borrowing Net	-	-
Dividend Paid	(167.12)	(167.12)
Net Cash from Financing Activities : (C)	<u>(167.12)</u>	<u>(167.12)</u>
Net Increase / (Decrease) In Cash and Cash Equivalent (A+B+C)	<u>(617.43)</u>	<u>(224.25)</u>
Cash or Cash Equivalent as on 1st April,2008 (Opening Balance)	2018.62	2242.87
Cash or Cash Equivalent as on 31st March,2009 (Closing Balance)	<u>1401.19</u>	<u>2018.62</u>

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 V Gokhale
Company Secretary

Jeetendra M Shende
Executive Director

Atul C Kirloskar
Chairman

Pune, 8 June 2009

Pune, 8 June 2009

G. G. DANDEKAR MACHINE WORKS LIMITED

SCHEDULE – ‘O’

Notes forming part of the Balance Sheet as on 31st March 2009 and Profit and Loss Accounts for the year ended as on that date.

Accounting Policies

A. 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 1/6th of the value of the additions as per AS 26 in respect of Intangible Assets.

B. Transactions & Translations in foreign currency.

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction.

Exchange differences arising on foreign exchange transactions settled during the year are recognised in the profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at the closing exchange rate and the resultant exchange differences are recognised in the profit & loss account.

C. Investments

Investments are valued at cost of acquisition less estimated diminution in the value determined to be of a permanent nature.

D. Current Assets

All Current Assets are accounted at cost or realisable value whichever is lower. The Closing Stock of Raw Materials and Stores is valued at Average Cost 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 Revenue Expenses are charged on revenue basis as and when incurred. Capital expenses incurred for research and development activities are included in fixed assets expenses.

F. Sales and Erection

- a) Sales excludes sales tax and excise duty.
- b) Revenue generated from Sales and Erection charges are accounted on accrual basis when the sale of goods and erection is completed.
- c) Contract invoicing of own manufactured and /or bought-out materials, erection and commissioning are recognised 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 basis 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 crystallise, 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 realised.

H. Basis of Accounting

All revenue, costs, assets and liabilities are accounted for on accrual basis except excise duty payable on uncleared 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 & are corrected as per the corrigendum to 69th Annual Report prepared & sent to shareholders.

3. Details of Subsidiary company

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

4. Contingent Liabilities not provided for:

- | | Current Year | (Amount Rs.)
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 |
5. 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 appeals in the Hon. High Court at Judicature at Mumbai against the order of the ITAT.
 6. 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.
 7. The figure of salaries, wages and bonus of Rs.3,30,77,668/- (P.Y. Rs. 3,61,11,965/- includes annual contribution of Rs.4,61,952 /- (P.Y.Rs. 5,49,843/-) to Super Annuation scheme with Life Insurance Corporation of India.
 8. 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.6,48,946 /- (P.Y. Rs. 12,77,031/-).
- As per mandatory accounting standard AS 15 Accounting for Retirement Benefits in the Financial Statements, the company has written-off Rs. 21,94,005/- towards excess provision made as per letter from Life Insurance Corporation.
9. In the opinion of the management, present fall in the value of investment is not in a permanent nature and hence, the diminution in the value of investment in equity shares is to the extent of Rs.13,898,959/- is not provided in the books as per accounting standard. (AS – 13).
 10. As required by Accounting Standard (AS 22) " Taxes on income issued by The Institute of Chartered Accountants of India, which is mandatory in nature, the company has recognized deferred taxes, which result from timing differences between book profits and tax profits for the year aggregating Rs -1,01,396./- in the Profit and Loss Account, the details of which are as under.

(Amount Rs.)

Particulars	Balance Carried on 1.4.2008	Arising During the year	Balance carried as at 31.3.2009
Deferred Tax Assets			
VRS Compensation	99,210	(99,210)	0
Expenses inadmissible under respective sections of (Income Tax Act 1961)	12,99,276	0	12,99,276
Total	13,98,486	(99,210)	12,99,276
Deferred Tax Liabilities			
On account of timing differences in Depreciation	2,33,407	(2,00,606)	32,801
Total	2,33,407	(2,00,606)	32,801
Grand Total	11,65,079	(1,01,396)	12,66,475

G. G. DANDEKAR MACHINE WORKS LIMITED

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

(A) Name of the related party and nature of relationship where control exists

1. Associate Companies : Better Value Holdings Private Limited
2. Joint Venture Companies : Nil
3. Companies controlled by Key-
Management Personnel Nil
4. Key Management Personnel:
 - Name:- Gurunath J. Karandikar (till 21 January 2009 during the Financial Year 2008-09)
 - Designation:- Managing Director.
 - Relatives:- Wife – Pratibha G. Karandikar, Son – Shailesh G. Karnadikar,
Daughter – Shlpa S. Paranjape
 - Name:- Jeetendra M Shende (w.e.f 21 January 2009 during the Financial Year 2008-09)
 - Designation:- Executive Director
 - Relatives:- Wife – Nilima J.Shende , Son – Shantanu J.Shende

(B) Related party transactions: NIL

12. Other Details

a) Details of Raw Materials & Stores Consumed

(Amount Rs.)

	Current Year	Previous Year
i) Iron & Steel Materials	17,352,641	15,244,271
ii) Wood	2,035,265	2,056,772
iii) Ball Bearing	2,224,354	2,091,898
iv) Electric Motors & Spares	5,866,454	7,369,436
v) Brought Out Finished Goods	29,835,750	29,598,272
vi) Others	14,418,384	14,670,715
vii) Stores	3,930,310	4,648,457
TOTAL	75,663,158	75,679,821

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) Current Year	Rice Mills (Nos) Previous Year
Opening Stock of goods Produced as on 01.04.2008	0	0
Closing Stock of goods Produced as on 31.03.2009	0	0

c) Expenditure Incurred on employees

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

d) Details of Licensed Capacity & Actual Production:

Sr. No.	Particulars	Capacity in Nos.		Actual Production in Nos.	
		Licensed Capacity	Installed Capacity	Current Year	Previous Year
1	Rice Mills	240	240	10	13
2	Modern Precleaners, Loose Machine & R.R. Shellers	800	800	445	561
3	C. I. Castings	-----	1900	Nil	Nil

e) Value of Import (CIF Basis)

	Current Year	(Amount Rs) Previous Year
Raw Materials & Components:	47,98,367	---

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

	Current Year	(Amount Rs) Previous Year
i) Commission to Sales Agents:	4,50,794	----
ii) Other Matters	----	4,17,794

g) Value of Material Consumed

	Current Year	(Amount Rs) Previous Year
i) Value of Imported Materials Consumed (including purchased locally)	---	---
ii) Value of Indigenous Materials Consumed	---	---
iii) Percentage of Imported Materials consumed to total consumption	7,56,63,158	7,56,79,821
iv) Percentage of Indigenous Materials consumed to total consumption	100%	100%

h) Foreign Currency Income

	Current Year	(Amount Rs) Previous Year
i) Value of Exports on F.O.B. Basis	1,63,32,036	Nil
ii) Amount remitted during the year in foreign currency on account of Dividend.	Nil	Nil

i) Details of Turnover

	Current Year			Previous Year		
	Qty	Unit	Sales Value	Qty	Unit	Sales Value
			(Amount Rs)			(Amount Rs)
Rice Mill Machinery (Complete)	10	Nos	4,59,41,755	13	Nos	41,800,745
Loose Machinery & Spares	445	Nos	12,67,05,244	542	Nos	129,961,303

G. G. DANDEKAR MACHINE WORKS LIMITED

j) Commission and Brokerage

	Current Year	(Amount Rs) Previous Year
1) Commission paid to the Sole Selling Agents	Nil	Nil
2) Commission paid to Other Selling Agents	56,86,221	1,03,13,154
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)
Pune, 8 June 2009

Prajakta V Gokhale
Company Secretary

Jeetendra M Shende
Executive Director
Pune, 8 June 2009

Atul C Kirloskar
Chairman

Auditor's Report on Consolidated Financial Statements.

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

1. We have audited the attached Consolidated Balance Sheet of M/s G. G. Dandekar Machine Works Ltd. and its subsidiary, as at 31st March, 2009, the Consolidated Profit and Loss account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards 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 Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash Flow statement dealt with by this report are in agreement with the books of accounts.
 - (iv) Subject to note no (9) regarding diminution in the value of investments by Rs. 13,898,959/-, in our opinion, the Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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 Consolidated Balance Sheet of the state of affairs of the company as at 31st March, 2009;
 - (b) in the case of the Consolidated Profit and Loss account, of the profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow statement, of the Consolidated Cash Flows for the year ended on that date.

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

Sd/-
(S.P. Ghanekar)
Partner
M. No. 38811

Pune, 08 June, 2009

G. G. DANDEKAR MACHINE WORKS LIMITED

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.
Clauses (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, 2009 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 Consolidated 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 explanations given to us no fraud on or by the Company has been noticed or reported during the course of our audit.

For M/s. P. D. Ghanekar & Company
Chartered Accountants
Sd/-
(S.P. Ghanekar)
Partner
M. No. 38811

Pune, 08 June, 2009

G. G. DANDEKAR MACHINE WORKS LIMITED

G.G.DANDEKAR MACHINE WORKS LTD. CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

SOURCES OF FUNDS:

1 SHAREHOLDERS FUNDS				(Amount Rs.)	
		Sch.		Current Year	Previous Year
a)	Share Capital	A	4,761,387		4,761,387
b)	Reserves & Surplus	B	<u>302,131,828</u>		<u>278,382,113</u>
				306,893,215	283,143,500
2 DEFERRED TAX BALANCE				101,396	0
(Refer Note No.10)					
3 LOAN FUNDS					
a)	Secured Loans	C	-		-
b)	Unsecured Loans	D	-		-
				0	0
TOTAL				306,994,611	283,143,500

APPLICATION OF FUNDS:

1 FIXED ASSETS		E			
	Gross Block		20,930,685		21,807,365
	Less:- Depreciation		<u>16,467,396</u>		<u>16,862,220</u>
				4,463,289	4,945,145
2 INVESTMENTS		F		140,056,883	61,572,155
3 NET CURRENT ASSETS					
a)	Current Assets, Loans & Advances	G	201,471,175		<u>255,120,150</u>
b)	Current Liabilities & Provisions	H	<u>38,996,736</u>		<u>39,702,539</u>
				162,474,439	215,417,611
4 DEFERRED TAX BALANCE				-	1,208,589
(Refer Note No.10)					
TOTAL				306,994,611	283,143,500
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

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

Pune 08 June, 2009

On behalf of the Board of directors

Prajakta V Gokhale
Company Secretary

Jeetendra M Shende
Executive Director

Pune 08 June, 2009

Atul C Kirloskar
Chairman

G.G.DANDEKAR MACHINE WORKS LTD.
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

					(Amount Rs.)
			Sch.	Current Year	Previous Year
INCOME					
1	Sales(Net)			172,647,000	171,770,048
2	Other Income		I	23,684,298	16,822,424
3	Increase/(decrease) in the value of Finished Goods & Work-in-progress		N	420,544	3,764,418
	TOTAL			196,751,842	192,356,890
EXPENDITURE					
4	Materials Consumed		J	75,663,158	75,679,821
5	Payments to & Provisions for Employees		K	33,077,668	36,111,965
6	General Expenditure		L	26,350,981	29,182,662
7	Interest			0	0
8	Depreciation			1,158,796	1,182,167
	TOTAL			136,250,604	142,156,615
9	Profit before exceptional items & taxes			60,501,238	50,200,275
10	Profit on sale on Investments			84,215	1,022,878
11	Loss on sale on Investments			0	0
12	Profit on sale of Fixed asset			676,470	2,765,455
13	Profit before tax			61,261,923	53,988,608
14	Provision for tax			20,000,000	18,000,000
15	Provision for deferred tax			101,396	(1,251,727)
16	Provision for Fringe Benefit Tax			430,000	410,000
17	Net Profit			40,730,527	36,830,335
18	Balance brought forward.			191,121,142	178,651,273
	PROFIT AVAILABLE FOR APPROPRIATION.			231,851,669	215,481,608
19	Short provision for Income Tax for earlier years			269,058	(352,597)
20	Provision for Gratuity for earlier years as per AS 15			0	4,301,309
21	Proposed Dividend			14,284,161	14,284,161
22	Corporate Dividend Tax on Dividend			2,427,593	2,427,593
23	Transferred to General Reserve			4,500,000	3,700,000
24	Balance carried forward.			210,370,857	191,121,142

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)

Prajakta V Gokhale
Company Secretary

Jeetendra M Shende
Executive Director

Atul C Kirloskar
Chairman

Pune 08 June, 2009

Pune 08 June, 2009

G. G. DANDEKAR MACHINE WORKS LIMITED

SCHEDULES 'A' TO 'O' ANNEXED TO & FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS ON 31ST MARCH, 2009.

	(Amount Rs.)	
	Current Year	Previous Year
SCHEDULE 'A' SHARE CAPITAL		
AUTHORISED CAPITAL		
20,000,000 Equity Shares of Re.1/- each	20,000,000	20,000,000
(Previous Year 20,000,000 Equity Shares of Re.1/- each)		
ISSUED, SUBSCRIBED & PAID-UP CAPITAL :		
4,761,387 Equity Shares of Re.1/- each	4,761,387	4,761,387
(Previous Year 4,761,387 Equity Shares of Re. 1/- each)		

NOTE: Out of the above 86,400 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.

	(Amount Rs.)	
	Current Year	Previous Year
SCHEDULE "B" RESERVES AND SURPLUS :		
GENERAL RESERVE		
As per last Balance Sheet	87,260,971	83,560,971
Add: Transferred from Profit & Loss Appropriation A/C	4,500,000	3,700,000
	91,760,971	87,260,971
SURPLUS AS PER PROFIT & LOSS A/c		
Surplus	210,370,857	191,121,142
Total	302,131,828	278,382,113

	(Amount Rs.)	
	Current Year	Previous Year
SCHEDULE "C" SECURED LOANS :		
Bank of Maharashtra, Bhiwandi Branch.		
(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 credit arrangements of Rs. 95 ,00,000).	0	0
Total	0	0

	(Amount Rs.)	
	Current Year	Previous Year
SCHEDULE "D" UNSECURED LOANS :		
Security Deposits	0	0
Fixed Deposits	0	0
Total	0	0

SCHEDULE ' E ' FIXED ASSETS										(Amount Rs.)	
Particulars	GROSS BLOCK			Total	DEPRECIATION			Total	NET BLOCK		
	As on 1.4.2008	Additions during the Year	Sold out during the Year		Written off in Previous Years (till last year)	Adj. Of Sales during the Year	Written off During the Year		As on 31.3.2009	As on 31.3.2008	
GOODWILL	1	0	0	1	0	0	0	0	1	1	
FREEHOLD LAND	52,212	0	0	52,212	0	0	0	0	52,212	52,212	
				0							
BUILDING	4,113,929	44,000	0	4,157,929	3,391,083	0	36,498	3,427,581	730,348	722,846	
PLANT & MACHINERY	8,800,842	0	834,826	7,966,016	8,487,331	834,826	38,134	7,690,639	275,377	313,511	
COMPUTER MACHINERY	2,677,686	287,316	0	2,965,002	1,877,242	0	392,854	2,270,096	694,906	800,444	
COMPUTER SOFTWARE	1,846,500	596,032	0	2,442,532	307,750	0	299,382	607,132	1,835,400	1,538,750	
FURNITURE, FIXTURE & OFFICE EQUIPMENTS	1,859,738	393,298	0	2,253,036	1,399,096	0	128,999	1,528,095	724,941	460,642	
VEHICLES	2,456,457	0	1,362,500	1,093,957	1,399,718	718,794	262,929	943,853	150,104	1,056,739	
TOTAL	21,807,365	1,320,646	2,197,326	20,930,685	16,862,220	1,553,620	1,158,796	16,467,396	4,463,289	4,945,145	
Previous Year	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	

G. G. DANDEKAR MACHINE WORKS LIMITED

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

	(Amount Rs.)	
	Current Year	Previous Year
I. GOVT. & TRUST SECURITIES (Unquoted)		
UTI 6.75% Tax free Bonds	28,500	17,316,600
(173,166 Units of Rs.100/each) (Market Value Rs.17,316,600/-)		
Rural Electrification Corporation Bonds	5,000,000	5,000,000
(5000 units of Rs.1,000/- each)		
Total	5,028,500	22,316,600
OTHER INVESTMENTS		
II. Equity Shares (Quoted)		
Subex Ltd. (12,000 equity shares of Rs.5/- each fully paid) (Market Value Rs.272,400/-)	6,654,695	6,654,695
Nucleus Software Ltd. (24,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.1,220,400/-)	10,770,204	10,770,204
Bharat Petroleum Corporation Ltd (11,000 equity shares of Rs.10/- each fully paid) Indraprastha Gas Ltd.	0	3,756,655
(40,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.4,348,000/-)	4,024,029	4,024,029
Gujarath Gas Company Ltd. (15,000 equity shares of Rs.2/- each fully paid) (Market Value Rs. 4,121,250/-)	3,959,883	3,959,883
GAIL India Ltd. (15,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.3,663,750/-)	4,223,939	4,223,939
Marico Ltd. (30,000 equity shares of Re.1/- each fully paid) (Market Value Rs. 1,801,500/-)	1,812,062	1,812,062
NIIT Technologies Ltd. (10,150 equity shares of Rs.10/- each fully paid) (Market Value Rs. 538,457.50)	1,338,779	1,328,965
Container corporation of India Ltd. (2,800 equity shares of Rs.10/- each fully paid) (Market Value Rs. 2,005,220/-)	27	0
Lakshmi Machine Works Ltd. (3849 equity shares of Rs.10/- each fully paid) (Market Value Rs. 1,943,360.10)	884,077	0
Thermax Ltd. (9,422 equity shares of Rs.02/- each fully paid) (Market Value Rs.1,703,968.70)	1,547,736	0
Crisil Ltd. (2,000 equity shares of Rs.10/- each fully paid) (Market Value Rs.5,402,300/-)	5,029,303	0
ICRA Ltd. (8607 equity shares of Rs.10/- each fully paid) (Market Value Rs.4,207,101.60)	3,888,064	0
Deccan Chronicle Holdings Ltd. (2,00 equity shares of Rs.02/- each fully paid) (Market Value Rs.9,480/-)	8,634	0
Total	46,126,132	36,530,434
III. Equity Shares (Unquoted)		
Investment through subsidiary co.in RUND STAHL BAU, SWEDEN	68,315,170	0
2 shares of Rs. 50/- each fully paid up of Maharashtra State Co-op Bank Ltd.	121	121
1000 Shares of Rs. 10/- each fully paid up The Saraswat Co.op Bank Ltd.	10,000	10,000
5 shares of Rs. 1000/- each fully paid up of The Engineering Raw Mat. Cons. Corp. Ltd.	5,000	5,000
Total	68,330,291	15,121
IV. MUTUAL FUNDS :		
GROWTH SCHEME		
HDFC Floating Rate Income Fund – Growth (Market Value Rs.3,685,000/-)	2,500,000	2,500,000
DIVIDEND SCHEME		
UTI MNC Fund (Market Value Rs.388,500/-)	210,000	210,000
UTI Mutual Funds (Market Value Rs.17,488,445/-)	17,861,960	0
Total	20,571,960	2,710,000
TOTAL (I+II+III+IV)	140,056,883	61,572,155
(Market Value of Investment Rs.126,157,924/-)		

		(Amount Rs)	
SCHEDULE "G" CURRENT ASSETS, LOANS & ADVANCES			
CURRENT ASSETS :			
	Current Year	Previous Year	
INCOME ACCRUED AND DUE.	1,677,954	2,445,933	
INVENTORIES :			
Stores & Accessories.	1,000,019	507,130	
Raw Materials	13,747,536	11,878,140	
Finished Goods.	7,999,600	8,202,197	
Work-in-progress	3,964,200	3,341,059	
(As per Inventory taken, valued & certified by the ED)			
Total	26,711,355	23,928,526	
SUNDRY DEBTORS :			
Debtors Outstanding for more than 6 months.(unsecured & considered good)	0	0	
Other Debts	3,866,196	735,173	
Total	3,866,196	735,173	
CASH AND BANK BALANCES :			
Cash in hand (including stamps)	4,522	97,130	
In Current Account with Banks	7,813,169	4,765,090	
Deposits with Banks/Institutions	135,100,000	197,000,000	
Total	142,917,691	201,862,220	
LOANS AND ADVANCES :			
(Unsecured and considered Good)			
Advance-Recoverable in cash or in kind or for value to be received :			
Advance for Purchases	2,596,918	1,894,821	
Advance for Expenses.	683,191	1,892,622	
Unclaimed Dividend	1,490,751	1,490,751	
Unclaimed amount of Scheme of Arrangement	1,870,715	1,870,715	
Advance to Staff & Workers	277,266	732,900	
Sundry Deposits including Deposits with Govt. Undertakings.	992,275	586,702	
Advance Income Tax including Tax Deducted at Source.(Net of Provision for Taxation)	2,299,229	1,592,153	
Receivable Against Sale of Land	16,087,634	16,087,634	
Total	26,297,979	26,148,298	
TOTAL	201,471,175	255,120,150	

G. G. DANDEKAR MACHINE WORKS LIMITED

SCHEDULE "H" CURRENT LIABILITIES & PROVISIONS	(Amount Rs.)	
	Current Year	Previous Year
CURRENT LIABILITIES :		
Sundry Creditors for :		
Goods Supplied	2,503,681	2,114,521
Other Expenses & Advances	11,838,900	13,824,274
Advances against Orders	4,300,000	3,690,524
Unclaimed amount of S of A	1,870,715	1,870,715
Unclaimed Dividends	1,490,751	1,490,751
Directors' Commission Payable	280,935	0
	22,284,982	22,990,785
PROVISIONS :		
Proposed Dividend	14,284,161	14,284,161
Corporate Dividend Tax.	2,427,593	2,427,593
	16,711,754	16,711,754
TOTAL	38,996,736	39,702,539
SCHEDULE "I" OTHER INCOME :	Current Year	(Amount Rs.) Previous Year
Interest	21,806,299	15,704,534
Dividend	1,135,759	346,974
Property Income	0	65,507
Miscellaneous Income	521,456	705,409
Exchange Earning	220,784	0
TOTAL	23,684,298	16,822,424
SCHEDULE "J" MATERIALS CONSUMED :	Current Year	(Amount Rs.) Previous Year
Consumption of Raw Materials		
Opening Stock	11,878,140	12,609,334
Add : Purchases	73,625,696	70,300,170
	85,503,836	82,909,504
Less : Closing Stock	13,770,987	11,878,140
	71,732,848	71,031,364
Consumption of Stores :		
Opening Stock	507,130	831,997
Add : Purchases	4,423,199	4,323,590
	4,930,329	5,155,587
Less : Closing Stock.	1,000,019	507,130
	3,930,310	4,648,457
CONSUMPTION	75,663,158	75,679,821

SCHEDULE "K" PAYMENTS TO & PROVISIONS FOR EMPLOYEES :	(Amount Rs.)	
	Current Year	Previous Year
Salaries, Wages and Bonus	31,116,566	27,715,763
Welfare Expenses	1,013,664	1,085,564
VRS	0	0
Contribution to Gratuity Fund	806,446	1,322,031
Contribution to PF & ESI	2,334,997	2,211,083
Provision for Gratuity for the year as per AS 15	(2,194,005)	3,777,524
TOTAL	33,077,668	36,111,965

SCHEDULE "L" GENERAL EXPENDITURE :	(Amount Rs.)	
	Current Year	Previous Year
Packing, Freight & Transport	1,499,653	3,557,333
Power & Fuel	1,346,004	2,647,404
Insurance	955,981	649,452
Repairs to :		
Plant & Machinery	116,351	501,593
Building	208,645	330,952
Other Assets.	286,175	615,059
Colony	203,606	59,820
Reparing & shifting Exps.		0
	814,776	1,507,424
Payment to Auditors :		
Audit Fees	110,000	100,000
Tax Audit Fees	40,000	40,000
Certificates & Other Matters	0	0
Payment to Internal Auditors	37,140	50,000
Service Tax on Audit Fees	4,591	6,180
	191,731	196,180
Legal & Professional Fees	947,919	2,015,767
Research & Development	1,415,175	904,603
Commission to Dealers.	5,686,211	10,313,154
Taxes & Assessment	2,244,620	372,754
Directors' Commission (Refer Schedule "M")	280,935	0
Directors' Sitting Fees	190,000	180,000
Miscellaneous Expenses :		
Motor Car & Traveling Expenses	2,887,851	2,942,423
Foreign Travel	985,251	670,810
Advertisement & Propaganda	880,888	226,122
Printing, Stationary & Postage Expenses	448,943	561,454
Telephone & Telex Charges	607,507	387,015
Others	4,967,536	2,026,447
	10,777,976	6,814,271
Loss on Sale of Assets	0	24,320
TOTAL	26,350,981	29,182,662

G. G. DANDEKAR MACHINE WORKS LIMITED

SCHEDULE 'M' COMPUTATION OF COMMISSION	(Amount Rs.)	
	Current Year	Previous Year
PAYABLE TO DIRECTORS :		
Profit for the Year (Before Tax)		
As per Profit & Loss A/c	61,261,923	53,988,608
Add: Loss on sale of Investment	0	0
Add : Directors' Commission	280,935	0
A	61,542,858	53,988,608
Less: Profit on sale of Investment	84,215	1,022,878
Less: Profit on sale of Land	676,470	2,765,455
B	760,685	3,788,333
Eligible Profits A - B	60,782,173	50,200,275
Directors' Commission Payable	280,935	0

SCHEDULE 'N' INCREASE/ (DECREASE) IN THE VALUE OF STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS :	(Amount Rs.)	
	Current Year	Previous Year
OPENING STOCK :		
Finished Goods	8,202,197	3,446,221
Work-in-Progress	3,341,059	4,332,617
	11,543,256	7,778,838
Less : CLOSING STOCK.		
Finished Goods	7,999,600	8,202,197
Work-in-Progress	3,964,200	3,341,059
	11,963,800	11,543,256
INCREASE/(DECREASE)	420,544	3,764,418

G.G.DANDEKAR MACHINE WORKS LTD.
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	As on 31.3.2009	As on 31.03.2008
		(Rs. In Lacs)
Cash Flow from Operating Activities		
Net Profit before Tax	612.61	539.89
Adjustments for		
Depreciation	11.59	11.82
Interest on Borrowings	0.00	0.00
Interest Received	(218.05)	(157.04)
Dividend Received	(11.36)	(3.47)
(profit)/loss on sale of Assets	(6.76)	0.24
(profit)/loss on sale of Investments	(0.84)	(10.23)
(profit)/loss on sale of Investments	-	-
(profit)/loss on sale of Land	-	(27.65)
	(225.42)	(186.33)
Operating Profit Before Working Capital changes	387.19	353.56
Adjustments for		
Trade & Other Receivables	(18.05)	(0.15)
Inventories	(27.83)	(27.09)
Trade Payables	(7.06)	(52.62)
	(52.94)	(79.86)
Cash Generated from Operations	334.25	273.70
Direct Taxes	(200.00)	(179.00)
Taxes Paid for earlier years	(2.70)	(0.45)
Interest paid	0.00	0.00
Net Cash from Operating Activities : (A)	131.55	94.25
Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(13.28)	(26.53)
Sale of Fixed Assets	14.84	0.28
Sale of Land	0.00	28.47
Sale of Investments	0.00	51.19
Purchases of Investment	(784.85)	(365.30)
Interest Received	218.05	157.04
Dividend Received	11.36	3.47
Net Cash Used in Investing Activities (B)	(553.88)	(151.38)
Cash Flow from Financing Activity		
Borrowing Net	-	-
Dividend Paid	(167.12)	(167.12)
Net Cash Used in Financing Activities (C)	(167.12)	(167.12)
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	(589.45)	(224.25)
Cash or Cash Equivalent as on 1st April,2008 (Opening Balance)	2018.62	2242.87
Cash or Cash Equivalent as on 31st March,2009 (Closing Balance)	1429.17	2018.62

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 V Gokhale
Company Secretary

Jeetendra M Shende
Executive Director

Atul C Kirloskar
Chairman

Pune 08 June,2009

Pune 08 June 2009

G. G. DANDEKAR MACHINE WORKS LIMITED

SCHEDULE - 'O'

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS.

Accounting Policies

A. Basis of preparation of consolidated financial statements.

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 1/6th of the value of the additions as per AS 26 in respect of Intangible Assets.

C. Transactions & Translations in foreign currency.

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction.

Exchange differences arising on foreign exchange transactions settled during the year are recognised in the profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at the closing exchange rate and the resultant exchange differences are recognised in the profit & loss account.

D. Investments

Investments are valued at cost of acquisition less estimated diminution in the value determined to be of a permanent nature.

E. Current Assets

All Current Assets are accounted at cost or realisable value whichever is lower. The Closing Stock of Raw Materials and Stores is valued at Average Cost 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.

F. Research & Development Expenses

Research & Development Revenue Expenses are charged on revenue basis as and when incurred. Capital expenses incurred for research and development activities are included in fixed assets expenses.

G. Sales and Erection

- a) Sales excludes sales tax and excise duty.
- b) Revenue generated from Sales and Erection charges are accounted on accrual basis when the sale of goods and erection is completed.
- c) Contract invoicing of own manufactured and /or bought-out materials, erection and commissioning are recognised 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.

H. Taxation

Provision for taxation is made on the basis 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 crystallise, 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 realised.

I. Basis of Accounting

All revenue, costs, assets and liabilities are accounted for on accrual basis except excise duty payable on uncleared 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 & are corrected as per the corrigendum to 69th Annual Report prepared & sent to shareholders.

3. Details of Subsidiary company

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

4. Principles of Consolidation

- a. The consolidated financial statements are based on the audited financial statements of the subsidiary for its respective financial year.
- b. The Financial statements of the parent company and its subsidiary have been combined to the extent possible on a line to line basis adding together like items of assets, liabilities, income and expenses.
- c. All significant intra group balances and transactions have been eliminated on consolidation.
- d. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and are presented to the extent possible in the same manner as the parent company's financial statements.

5. Contingent Liabilities not provided for:	Current Year	(Amount Rs.) 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
6. 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 filed an appeal in the Hon. High Court at Judicature at Mumbai against the order of the ITAT.		
7. 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.		
8. The figure of salaries, wages and bonus of Rs.3,30,77,668/- (P.Y.Rs. 3,61,11,965/-), includes annual contribution of Rs.4,61,952 /- (P.Y.Rs. 549,843/-) to Super Annuation scheme with Life Insurance Corporation of India.		
9. In the opinion of the management, present fall in the value of investment is not in a permanent nature and hence, the diminution in the value of investment in equity shares is to the extent of Rs.13,898,959/- is not provided in the books as per accounting standard. (AS – 13).		
10. 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.6,48,946 /- (P.Y. Rs. 12,77,031/-).		

As per mandatory accounting standard AS 15 Accounting for Retirement Benefits in the Financial Statements, the company has written-off Rs. 21,94,005/- towards excess provision made as per letter from Life Insurance Corporation.

G. G. DANDEKAR MACHINE WORKS LIMITED

11. As required by Accounting Standard (AS 22) " Taxes on income issued by The Institute of Chartered Accountants of India, which is mandatory in nature, the company has recognized deferred taxes, which result from timing differences between book profits and tax profits for the year aggregating Rs. (1,01,396./-) in the Profit and Loss Account, the details of which are as under.

(Amount Rs)

Particulars	Balance Carried on 1.4.2008	Arising During the year	Balance carried as at 31.3.2009
Deferred Tax Assets			
VRS Compensation	99,210	(99,210)	0
Expenses inadmissible under respective Sections of Income Tax Act (1961)	12,99,276	0	12,99,276
Total	13,98,486	(99,210)	12,99,276
Deferred Tax Liabilities			
On account of timing differences in Depreciation	2,33,407	(2,00,606)	32,801
Total	2,33,407	(2,00,606)	32,801
Grand Total	11,65,079	(1,01,396)	12,66,475

12. 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 : Better Value Holdings Private Limited

2. Joint Venture Companies : Nil

3. Companies controlled by Key-
Management Personnel Nil

4. Key Management Personnel:

Name:- Gurunath J. Karandikar. (till 21 January 2009 during the Financial Year 2008-09)

Designation:- Managing Director.

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

Daughter – Shlpa S. Paranjape

Name:- Jeetendra M Shende (with effect from 21 January 2009
during the Financial Year 2008-09)

Designation:- Executive Director

Relatives:- Wife – Nilima J.Shende , Son – Shantanu J.Shende

(B) Related party transactions: NIL

13. Other Details**a) Details of Raw Materials & Stores Consumed**

	Current Year	(Amount Rs.) Previous Year
i) Iron & Steel Materials	17,352,641	15,244,271
ii) Wood	2,035,265	2,056,772
iii) Ball Bearing	2,224,354	2,091,898
iv) Electric Motors & Spares	5,866,454	7,369,436
v) Brought Out Finished Goods	29,835,750	29,598,272
vi) Others	14,418,384	14,670,715
vii) Stores	3,930,310	4,648,457
TOTAL	75,663,158	75,679,821

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) Current Year	Rice Mills (Nos) Previous Year
Opening Stock of goods Produced as on 01.04.2008	0	0
Closing Stock of goods produced as on 31.03.2009	0	0

c) Expenditure Incurred on employees

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

d) Details of Licensed Capacity & Actual Production :

Sr. No.	Particulars	Capacity in Nos.		Actual Production in Nos.	
		Licensed Capacity	Installed Capacity	Current Year	Previous Year
1	Rice Mills	240	240	10	13
2	Modern Precleaners, Loose Machine & R.R. Shellers	800	800	445	561
3	C. I. Castings	-----	1900 MT	Nil	Nil

e) Value of Import (CIF Basis)

	Current Year	(Amount Rs.) Previous Year
Raw Materials & Components:	47,98,367	---

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

	Current Year	(Amount Rs.) Previous Year
i) Commission to Sales Agents:	4,50,794	---
ii) Other Matters	----	4,17,794

G. G. DANDEKAR MACHINE WORKS LIMITED

g) Value of Material Consumed	Current Year	(Amount Rs) Previous Year
i) Value of Imported Materials Consumed (including purchased locally)	---	---
ii) Value of Indigenous Materials Consumed	---	---
iii) Percentage of Imported Materials consumed to total consumption	7,56,63,158	7,56,79,821
iv) Percentage of Indigenous Materials consumed to total consumption	100%	100%
h) Foreign Currency Income	Current Year	(Amount Rs) Previous Year
i) Value of Exports on F.O.B. Basis	1,63,32,036	Nil
ii) Amount remitted during the year in foreign currency on account of Dividend.	Nil	Nil

i) Details of Turnover

	Current Year			Previous Year		
	Qty	Unit	Sales Value	Qty	Unit	Sales Value
			(Amount Rs)			(Amount Rs)
Rice Mill Machinery (Complete)	10	Nos	4,59,41,755	13	Nos	41,800,745
Loose Machinery & Spares	445	Nos	12,67,05,244	542	Nos	129,961,303

j) Commission and Brokerage	Current Year	(Amount Rs) Previous Year
1) Commission paid to the Sole Selling Agents	Nil	Nil
2) Commission paid to Other Selling Agents	56, 86,221	1, 03, 13,154
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)
Pune, 8 June 2009

Prajakta V Gokhale
Company Secretary

Jeetendra M Shende
Executive Director
Pune, 8 June 2009

Atul C Kirloskar
Chairman

Consolidated Balance Sheet Abstract and Company's General Business Profile:

1. Registration Details :	
Registration No.	2869
State Code	11
Balance Sheet Date	31.03.2009
2. Capital raised during the year :	
	(Rs. in Lacs)
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placements	Nil
3. Position of mobilisation and deployment of funds :	
	(Rs.in Lacs)
Total Liabilities	3069.94
Total Assets	3069.94
Source of Funds	
Paid up Capital	47.61
Share Money Pending Allotment	Nil
Reserves & Surplus	3021.32
Secured Loans	0.00
Unsecured Loans	0.00
Application of Funds	
Net Fixed Assets	44.63
Investments	1400.57
Net Current Assets	1624.74
Miscellaneous Expenses & Losses	0.00
4. Performance of Company:	
Turnover (Sale of Products and Other Income)	1975.12
Total Expenditure	1362.50
Profit/(Loss) before Tax	612.62
Profit/(Loss) after Tax	407.30
Earnings per share (Rs.)	8.55
Dividend Rate (%)	300%
5. Products of the Company: Post Harvest Grain Processing Equipments	
A .Paddy Cleaning, Processing and Rice Milling Machinery and Grading Equipment	
B. Dal Mill	

Notes : 1) The above particulars should be read along with the Consolidated Balance Sheet as at 31st March, 2009, the Consolidated 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. 3021.32 lacs.

For P. D. Ghanekar & Co.
Chartered Accountants

On behalf of the Board of directors

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

Prajakta V Gokhale
Company Secretary

Jeetendra M Shende
Executive Director

Atul C Kirloskar
Chairman

Pune 08 June,2009

Pune 08 June 2009

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