

India's Leading Power Tool Company



●●●●●●●●●● *Many more !*

39th ANNUAL REPORT 2014 - 2015

KULKARNI POWER TOOLS LTD.

Regd. Office : Shirol - 416 103, Dist. Kolhapur

CHAIRMAN EMERITUS

P. D. GUNE

BOARD OF DIRECTORS

P.A. KULKARNI	Vice Chairman & Managing Director
M.L. APTE	Independent Director
D.C. SHROFF	Independent Director
S.S. SHIRGAOKAR	Independent Director
S.C. KIRLOSKAR	Independent Director
P.P. KULKARNI	Woman Director
D.B. KULKARNI	Executive Director
K.V. PAI	Additional Director

BANKERS

Bank of Maharashtra, Sangli

IDBI Bank Ltd., Sangli

AUDITORS

M/s. P. G. Bhagwat

Chartered Accountants

Suite No. 101-102, "Orchard"

Dr. Pai Marg, Baner,

Pune - 411 045

KULKARNI POWER TOOLS LTD.

Shirol - 416 103 Dist. Kolhapur

NOTICE

NOTICE is hereby given that the Thirty-ninth Annual General Meeting of the members of Kulkarni Power Tools Ltd., will be held on Wednesday, the 30th day of September, 2015, at 11.30 a.m., at the Registered Office of the Company at Shirol-416 103, Dist.Kolhapur, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements for the year ended on 31st March, 2015 and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr.Prakash Kulkarni, (DIN 00052342), who retires by rotation and, being eligible, seeks re-appointment.
4. To appoint Auditor and to fix their remuneration

SPECIAL BUSINESS:

5. Appointment of Dr.Ketan Pai, as a Director

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

“**RESOLVED THAT** Dr.Ketan Pai who was appointed as an Additional Director of the Company with effect from 27th September, 2014, under the provisions of Section 161 of the Companies Act, 2013, and who holds office up to the date of this Annual General meeting, be and is hereby appointed as the Director of the Company.”

6. Remuneration payable to Managing Director from 1st April, 2014, for the remaining tenure of his appointment, in accordance with the Companies Act, 2013.

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

“**RESOLVED THAT** pursuant to Schedule V of the Companies Act, 2013 and the Rules made thereunder and pursuant to the Articles of Association of the Company and such other approvals, permissions and sanction as may be required, the approval of the members of the Company be and is hereby accorded to the remuneration payable to Mr.Prakash Kulkarni (DIN 00052342), Managing Director, with effect from 1st April 2014, for the remaining tenure of his appointment, as per terms and conditions of the Managing Directors’ Agreement dated 13-08-2011.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary or desirable to give effect to this resolution.”

7. Reappointment of Managing Director as per Section 196 and 197 for a period of 5 years and approve the remuneration as per Part II of Schedule V of the Companies Act, 2013 for a period of 3 years, effective 1st April, 2016.

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

“**RESOLVED THAT** pursuant to the provisions of Section 196 and 197 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013, or any amendment or modifications or re-enactment thereof and subject to such other approvals, as may be necessary, the Company hereby approves the reappointment of Mr.Prakash Kulkarni (DIN 00052342), as Managing Director, of the Company, for a period of 5 years and also the remuneration of ₹ 32.00 lacs per annum, with all other perquisites and commission on profits, for a period of 3 years, as per Section II of Part II of Schedule V of the Companies Act, 2013, w.e.f. 1st April, 2016.”

“FURTHER RESOLVED THAT the draft agreement to be entered with Mr.Prakash Kulkarni containing the terms and conditions, including remuneration, as placed before this meeting, be and is hereby specifically sanctioned, with a liberty to the Board of Directors to alter and vary the terms and conditions of the appointment and / or of the agreement in such a manner, as may, from time to time, or to be in consonance with any revised terms and conditions as may be prescribed under the provisions of Section 196 and 197 or Section II of Part II of Schedule V of the Companies Act, 2013, or any modification(s) thereto, as may be agreed to, between the Board of Directors and Mr.Prakash Kulkarni.”

“RESOLVED FURTHER THAT in the event of any loss or inadequacy of profit in any financial year, the minimum remuneration including Salary, Perquisites to be paid to the Managing Director, shall be as per Section II of Part II of the Schedule V of the Companies Act, 2013, or any modification(s) thereto.”

“FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary or desirable to give effect to this resolution.”

8. Revision in Articles of Association of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provision, if any, of the Companies Act, 2013, read with relevant Rules framed thereunder, the existing Articles of Association of the Company be and is hereby replaced by adoption of new set of Articles of Association of the Company after incorporating all the applicable clauses in conformity with the provisions of Companies Act, 2013, and the Rules made thereunder.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard.”

By Order of the Board of Directors

Pune
12th August, 2015

Dilip Kulkarni
Executive Director
DIN: 00184727

NOTES:

- 1]** A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2]** The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September, 2015 to 30th September, 2015 (both days inclusive).
- 3]** Dividend as recommended by the Directors, if approved at the meeting, will be payable to those members whose names appear on the Register of Members on 30th September, 2015.
- 4]** The Company has transferred the unclaimed dividends declared upto the financial year 2007 to the Investor Education and Protection Fund of the Central Government. All Members who have either not received or have not encashed dividends for the financial years 2008 to 2014 are requested to write to the Company's Share Department at the aforesaid address for issuance of duplicate dividend warrant(s), mentioning the relevant Folio No.(s) or DP ID No. and Client ID No.
- 5]** Members / Proxies are requested to bring their copies of the Annual Reports as the practice of distributing copies at the time of meeting has since been discontinued.
- 6]** Members intending to require information about accounts to be explained in the Annual General Meeting are requested to inform the Company atleast seven days in advance of the meeting.

- 7] Members are requested to notify immediately any change of their address.
- 8] The Securities and Exchange Board of India has directed compulsory trading of Company's scrip in dematerialized form by all investors. The Equity Shares of the Company are available for Dematerialisation with National Securities Depository Limited and Central Depository Services (India) Limited.
- 9] The Company has appointed M/s.Link Intime India Pvt.Ltd., to act as Registrar and Share Transfer Agents of the Company. The members are requested to send all share transfers and other correspondence to M/s.Link Intime India Pvt.Ltd., at the following address:

M/s.Link Intime India Pvt.Ltd.,
 Unit: Kulkarni Power Tools Limited
 Block No.2, Akshay Complex,
 Near Ganesh Temple,
 Off Dhole-Patil Road,
 Pune – 411 001

10] Instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Sunday, the 27th September, 2015, at 9.00 a.m.(IST) and ends on Tuesday, the 29th September, 2015 till 6.00 p.m.(IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - Members holding Shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or Folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Kulkarni Power Tools Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

The Result declared alongwith Report of the Scrutiniser(s) will be available on the website of the Company (www.kpt.co.in) and on Service Provider's website (<http://www.evotingindia.com>) within two (2) days of passing of the resolutions and communication of the same to BSE Limited.

By Order of the Board of Directors

Pune
12th August, 2015

Dilip Kulkarni
Executive Director
DIN: 00184727

**EXPLANATORY STATEMENT UNDER SECTION 102 (1) AND SECTION 110 OF THE
COMPANIES ACT, 2013**

ITEM NO. 4

In accordance with Section 139 of the Companies Act, 2013, and any other applicable provisions, M/s.P.G.Bhagwat, Chartered Accountants, Pune, was appointed for a period of 3 years i.e. until the conclusion of the Annual General Meeting to be held in 2017. Every year, Company shall place the matter for ratification by members at Annual General Meeting. The appointment of Auditors shall satisfy the criteria of eligibility, qualification, disqualification, in accordance with Section 141 of the Companies Act, 2013. The Company has received confirmation from the Auditors that they satisfy the condition under Section 141. The Board of Directors recommends to ratify the appointment till the conclusion of next Annual General Meeting.

ITEM NO. 5

During the year, Dr.Ketan Pai was appointed as an Additional Director of the Company in the Board Meeting held on 27th September, 2014, under the provisions of Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, he holds office upto the date of this Annual General Meeting. The Company has received a notice signifying his intention to propose the candidature of Dr. Ketan Pai, for the post of Director of the Company, alongwith a deposit of ₹ 1,00,000.

The Board of Directors recommends his appointment.

None of the Directors, key managerial person or relatives of them are concerned or interested in this resolution.

ITEM NO. 6

Mr. Prakash Kulkarni, Managing Director, is currently being paid a minimum remuneration consisting of basic salary of ₹ 2,16,000/- per month, provident fund and perquisites which works out to ₹ 32.00 lakhs per annum which was approved by Board of Directors in its Meeting held on 26th May, 2011, in accordance with Schedule XIII of the Companies Act, 1956, for a period of 3 years upto 31st March, 2014.

On the basis of recommendations received from the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 28th May, 2015, has approved and ratified the payment of remuneration of the Managing Director, Mr.Prakash Kulkarni from 1st April, 2014, for the remaining tenure of his appointment, in accordance with the Companies Act, 2013, subject to approval of the Shareholders in the General Meeting.

The Board of Directors, recommends resolution for your approval as a Special Resolution.

None of the Directors, except Mr.Prakash Kulkarni, himself and Mrs.Prabha Kulkarni, are concerned or interested in this resolution.

ITEM NO. 7

Mr. Prakash Kulkarni was reappointed as Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2011 to 31st March, 2016.

On the basis of recommendations received from Nomination & Remuneration Committee and considering the contributions and responsibilities shouldered by Mr.Prakash Kulkarni, since inception of the Company, the Board, has reappointed Mr.Prakash Kulkarni, as Managing Director, for a period of 5 years, with effect from 1st April, 2016 to 31st March, 2021, as per Section 196 and 197 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013, and has approved the remuneration of ₹ 32.00 lacs per annum, with all other perquisites as well as commission on profits, for a period of 3 years with effect from 1st April, 2016 to 31st March, 2019, as per Section II, Part II of the Schedule V of the Companies Act, 2013, subject to approval of the members of the Company.

The said reappointment fulfills the conditions for the appointment of Mr. Prakash Kulkarni as Managing Director, as laid down in Part I of Schedule V, except that Mr. Kulkarni has attained the age of 70 years as on 16th July, 2013. Therefore, it is necessary to seek approval of the members for the reappointment of Mr. Prakash Kulkarni, as a Managing Director for a period of 5 years as per Section 196 and 197 read with Schedule V and his remuneration, for a period of 3 years, as per Section II of Part II of Schedule V of the Companies Act, 2013, w.e.f. 1st April, 2016.

Mr. Prakash Kulkarni is Licentiate in Textile Manufacturing from VJTI, Mumbai. He is having rich experience of 52 years in the industry and the Managing Director of the Company for last 25 years. He is a founder and promotor of the Company.

Mr. Prakash Kulkarni is responsible for the overall management of the Company under the supervision, control and direction of the Board of Directors. He is devoting his full time attention and ability to the business and affairs of the Company. He is faithfully serving the Company and using his utmost endeavours to promote the interest of the Company.

In view of the above and considering the contributions and responsibilities of Mr. Prakash Kulkarni, as a promoter for overall management, since inception of the Company, his full time devotion by using his utmost endeavor, the Board of Directors recommends approval of the members of the Company for reappointment of Mr. Prakash Kulkarni, as Managing Director, for a further period of 5 years and the remuneration of ₹ 32.00 lacs per annum with all other perquisites and commission on profits, for a period of 3 years w.e.f. 1st April, 2016.

The remuneration and the perquisites of Mr. Prakash Kulkarni are set out in the draft agreement referred to, in the resolution at item No.7 of the Notice and are subject to the approval of the Shareholders of the Company under the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, for a period of 3 years, w.e.f. 1st April, 2016. The material terms of appointment of Mr. Prakash Kulkarni as a Managing Director, as set out in a draft agreement are as follows :

- I. Salary: ₹ 2,16,000 per month.
- II. Perquisites, Benefits and Allowances
 - i) In addition to the salary and commission payable, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent and maintenance allowances, in lieu thereof; together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries; medical reimbursement, club fees and leave travel concession / allowance for himself and his family, medical / accident insurance and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to, by the Board and the Managing Director, such perquisites and allowances will be subject to such overall ceiling as may be fixed by the Board, from time to time.
 - ii) Company maintained car with driver for official and personal use.
 - iii) Telecommunication facilities at residence.
 - iv) Leave and encashment of unavailed leave as per the Rules of the Company.
 - v) Company's contribution to Provident Fund.
 - vi) Gratuity : As per the rules of the Company.
 - vii) Commission will be as per the provisions of Section 196 and 197 and Section II of Part II of Schedule V of Companies Act, 2013. However, the remuneration as above plus the commission will have a ceiling of 5% of the profit of the Company.

In the event of any loss or inadequacy of profit in any financial year, subject to Section II of Part II of Schedule V of Companies Act, 2013, or any modifications thereof, the Managing Director shall be paid the above remuneration by way of salary and perquisites as specified above as the minimum remuneration.

This may be treated as the abstract of the terms of appointment of Mr. Prakash Kulkarni under the provisions of Section 196 and 197 read with Schedule V and his remuneration as per Section II of Part II of Schedule V of the Companies Act, 2013.

The Board of Directors commends resolution for your approval as a Special Resolution.

None of the Directors, except the appointee himself and Mrs.Prabha Kulkarni, are concerned or interested in this resolution.

ITEM NO. 8

The Companies Act, 2013, has made major changes over the provisions of Companies Act, 1956. It has, therefore, become necessary to adopt a new set of Articles of Association in place of old one to accommodate required clauses in conformity with the provisions of Companies Act, 2013.

The draft copy of the Articles of Association is available on the website of the Company and for inspections at the Registered Office of the Company during business hours on any working day.

Non of the Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested in these resolutions except as Shareholder of the Company. The Board recommends the Special Resolution for approval by Shareholders. The passing of the aforesaid resolutions do not relate to or affect any other company.

By Order of the Board of Directors

Pune
12th August, 2015

Dilip Kulkarni
Executive Director
DIN: 00184727

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 39th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2015.

1. FINANCIAL RESULTS:

		In ₹
	2015	2014
Turnover	857,163,965	893,095,994
Profit Before Interest, Depreciation & Tax	82,843,934	78,047,811
Less : Interest	43,741,763	38,133,961
Less : Depreciation	37,496,015	38,867,030
Profit Before Tax	1,606,156	1,046,820
Less : Provision for Taxation, including Deferred Tax Liability	(1,199,115)	(1,612,347)
Profit After Tax	2,805,271	2,659,167
Add : Amount brought forward from last year	39,454,112	38,783,860
APPROPRIATIONS :		
Profit available for Appropriation	42,259,383	41,443,027
Proposed Dividend	1,700,000	1,700,000
Tax on Proposed Dividend	346,086	288,915
Transfer to General Reserve	---	---
Balance carried forward to Balance Sheet	40,213,297	39,454,112

2. OPERATIONS AND FUTURE PROSPECTS:

The slowdown of the Indian economy and cash crunch in the market continued during this year also. This has heavily impacted growth plan of the Company. Effective control on cost and continuous improvements in efficiencies have supported Company in maintaining the profitability.

Company continued its efforts of developing new market. During the year, Company has introduced new range of products. It is expected that the Company shall be appropriately benefited in near future.

During the year under review, industrial relations continued to be harmonious. The Company is following transparency and good corporate governance practices in all its operations.

The FOB value of exports, during the year, is ₹ 1711.23 lacs, as against ₹ 1615.75 lacs in the previous year.

3. CHANGE IN NATURE OF BUSINESS:

During the year under review, there were no changes in nature of business of the Company.

4. DIVIDEND:

Your Directors have pleasure in recommending a payment of dividend at the rate of 10% on Equity Shares amounting to ₹ 0.50 per share for the financial year ended 31st March, 2015. Board recommends the dividend for approval of the members.

5. TRANSFER TO RESERVES:

During the year under review, the Company has not transferred any amount to its reserves.

6. CHANGES IN CAPITAL OF THE COMPANY:

There are no changes in the capital of the Company.

7. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY: Not Applicable.

8. DEPOSITS:

The Company has not accepted deposits

9. DIRECTORS:

Mr. S.N. Inamdar has retired as Director. He was Chairman of the Company from 2009 to 2014. The Company appreciates his immense contribution for the growth of the Company during his tenure as Director.

During the year, Company has appointed Dr. Ketan Vikas Pai as an Additional Director w.e.f. 27th September, 2014, as per the provisions of Companies Act, 2013, and is eligible to be appointed as a Director of the Company in the forthcoming Annual General Meeting. The Board recommends his appointment.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, Directors confirm that -

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements 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;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors were devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;
- f) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.

11. NUMBER OF MEETINGS OF THE BOARD:

The Board of Directors duly met 6 (six) times on 30.05.2014, 04.08.2014 (meeting adjourned to 21.08.2014 and concluded), 27.09.2014, 14.11.2014, 11.02.2015 & 30.03.2015, in respect of which proper notices were given and the proceedings were properly recorded and signed.

The Audit Committee of the Board of Directors also met 3 (three) times on 22.09.2014, 10.11.2014 & 06.02.2015, in respect of which proper notices were given and the proceedings were properly recorded and signed.

The details of the Board Meetings and the Directors who attended the meetings are given below:

Sl. No.	Dates of Meeting	Attended by
1.	30.05.2014	S.N. Inamdar, M.L. Apte & D.B. Kulkarni
2.	04.08.2014	S.N. Inamdar, P.A. Kulkarni, S.S. Shirgaokar, M.L. Apte, D.C. Shroff & D.B. Kulkarni
3.	21.08.2014 (Adjourned Meeting)	S.N. Inamdar, P.A. Kulkarni, D.C. Shroff, M.L. Apte & D.B. Kulkarni
4.	27.09.2014	P.A. Kulkarni, D.C. Shroff, S.S. Shirgaokar, S.C. Kirloskar, M.L. Apte, D.B. Kulkarni & Prabha Kulkarni
5.	14.11.2014	P.A. Kulkarni, D.C. Shroff, S.S. Shirgaokar, M.L. Apte, D.B. Kulkarni, Ketan Pai & Prabha Kulkarni
6.	11.02.2015	P.A. Kulkarni, S.S. Shirgaokar, S.C. Kirloskar, D.B. Kulkarni, Ketan Pai & Prabha Kulkarni
7.	30.03.2014	P.A. Kulkarni, D.C. Shroff, M.L. Apte, S.S. Shirgaokar, S.C. Kirloskar, D.B. Kulkarni & Prabha Kulkarni

The details of the Audit Committee Meetings and the Directors who attended the meetings are given below:

Sl. No.	Dates of Meeting	Attended by
1.	22.09.2014	S.S. Shirgaokar, M.L. Apte & D.B. Kulkarni
2.	10.11.2014	S.S. Shirgaokar, M.L. Apte & D.B. Kulkarni
3.	06.02.2015	S.S. Shirgaokar, M.L. Apte & D.B. Kulkarni

12. EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, is attached as **ANNEXURE-I** to this Report.

13. SECRETARIAL AUDIT REPORT:

During the year under review, the Company has obtained the Secretarial Audit Report in Form MR-3 and the same is attached as **ANNEXURE-II** to this Report

14. STATUTORY AUDITOR:

The appointment of Auditors M/s P.G. Bhagwat, Chartered Accountants, Pune, is for the period of 3 years till the conclusion of Annual General Meeting for the financial year 2017, but subject to the ratification at every Annual General Meeting by the members of the Company.

The Board recommends the same for the ratification by the members at the forthcoming Annual General Meeting.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A) CONSERVATION OF ENERGY

This industry does not fall under Schedule prescribed under Rule(2). Efforts are made to keep the consumption of Power and Fuel to a minimum level. Kulkarni Power Tools Ltd., also generates clean power by use of wind power.

B) TECHNOLOGY ABSORPTION

I) Specific areas in which R&D carried out:

- Enhancing life of electric motors,
- Reducing maintenance cost of products,
- Development of new products/designs/procedures/methods/materials/machines/ tools in existing products/processes in related manufacturing areas,
- Improving the electrical characteristics of the motors.

II) Benefits derived as a result of above R&D:

- Improved performance/longer service life of product,
- Complete safety,
- Cost reduction,
- Enhancement of quality and service to the customers.

III) Future plan of action:

Company plans to continue development activities on the above lines,

IV) Expenditure on R&D:

Expenditure of revenue nature incurred on R&D is charged under the respective heads, Capital expenditure on acquisition of assets for R&D, if any, is depreciated as Plant & Machinery.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The Company has not imported any technology during the last twelve years. There is a continuous flow of information between the Company and the key suppliers from abroad. The Company's key managers also visit various markets and are exposed to latest products and technologies. Interaction with Suppliers of key components, on a regular basis, keeps the Company abreast with the latest development in product technology, manufacturing process and methods, quality assurance, marketing and management systems. We have, over the years, built requisite infrastructure and technically competent manpower to translate and adopt the latest technical know-how into improved products for our customers.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings	:	₹ 1711.23
Outgo	:	a) Material ₹ 2242.59
		b) Others ₹ 17.71
		Total ₹ 2260.30

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, the Company has not advanced any loans/ given guarantees / provided securities or made any investments.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Related party transactions that were entered during the financial year, were on an arm's length basis and were in ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **ANNEXURE-III** to this Report.

18. ANNUAL EVALUATION OF PERFORMANCE OF BOARD:

During the year under review, the Board has initiated formal evaluation process for its own performance and of its own committees and individual directors, pursuant to Section 134 (3) (p) of the Companies Act, 2013 and Rule 8 (4) of the Companies (Accounts) Rules, 2014.

19. NOMINATION AND REMUNERATION COMMITTEE:

The Company has framed Nomination and Remuneration Committee to decide appointment and remuneration of Directors, Independent Directors and Key Management Personnel.

20. AUDIT COMMITTEE:

The Audit Committee of the Board, pursuant to Section 177(2) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, consists of 3 (Three) Directors. Out of which 2 (Two) Directors are Independent Directors and constitutes majority.

21. VIGIL MECHANISM:

The Company has established a Vigil Mechanism for Directors and employees to report their genuine concerns and to provide adequate safeguards against victimisation of persons who use such mechanism.

22. RISK MANAGEMENT POLICY:

The Board of Directors of Company is continuously monitoring various risk attached to business. On regular basis, Board and senior managers identify the risk elements. Board and senior managers, on the basis of past experience, ensure management of risk and take necessary steps to mitigate the risks.

In the opinion of the Board there are no risk elements which may threaten the existence of the Company, except general market risks, risk due to effect of changes in government policies, competition risks and risk due to natural calamities.

23. SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES:

Company does not have any Subsidiary, Joint Venture or Associate Companies.

24. ORDER PASSED BY REGULATOR OR COURTS OR TRIBUNALS: Not Applicable**25. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (IF APPLICABLE)**

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

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

No such cases were reported during the Financial Year 2014-2015.

26. ACKNOWLEDGEMENT:

The Directors take this opportunity to express their gratitude for the timely support, advice and cooperation from Banks and Financial Institutions. At the same time, Board of Directors sincerely appreciates and thanks its esteemed Shareholders for their continued support and confidence reposed in the Company.

Your Directors also wish to express their thanks to all the employees for their contribution during the year.

For & On behalf of the Board of Directors

Pune
12th August, 2015

Prakash Kulkarni
Managing Director
DIN : 00052342

Dilip Kulkarni
Executive Director
DIN: 00184727

Annexure I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L29130MH1976PLC019147
ii) Registration Date	30 th July, 1976
iii) Name of the Company	Kulkarni Power Tools Ltd.
iv) Category/ Sub-Category of the Company	Company Limited by Shares Indian Non- Government Company
v) Address of the Registered Office and contact details	At & Post. Shirol, Dist. Kolhapur, 416103, Maharashtra, India. Tel. 02322-661500
vi) Whether listed company Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s.Link Intime India Private Limited Block No.2, Akshay Complex, Nr.Ganesh Temple, Off. Dhole-Patil Road, Pune 411001 Tel. 020-26160084

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY – Manufacture, Sale & Service of Portable Electric Power Tools & Roots Blowers.

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Drills	84672100	12.71%
2	Grinders & Sanders	84672900	25.90%
3	Root Blowers	84145930	12.18%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – Not Applicable.

Sl. No.	Name and Address of the Company	CIN/GLN	CIN/GLN	% of Shares held	Applicable Section
–	–	–	–	–	–

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	%	Demat	Physical	Total	%	
A.	Promoters									
(1)	Indian									
a)	Individual/HUF	244480	14976	259456	7.63	259456	0	259456	7.63	0
b)	Central Govt	—	—	—	—	—	—	—	—	—
c)	State Govt (s)	—	—	—	—	—	—	—	—	—
d)	Bodies Corp.	778812	0	778812	22.91	778812	0	778812	22.91	0
e)	Banks/ FI	—	—	—	—	—	—	—	—	—
f)	Any other (Trust)	0	324000	324000	9.53	0	324000	324000	9.53	0
	SUB-TOTAL A(1)	1023292	338976	1362268	40.07	1038268	324000	1362268	40.07	0
(2)	Foreign									
a)	NRIs- Individuals	127012	0	127012	3.74	127012	0	127012	3.74	0
b)	Other -Individuals	—	—	—	—	—	—	—	—	—
c)	Bodies Corp.	—	—	—	—	—	—	—	—	—
d)	Banks/FI	—	—	—	—	—	—	—	—	—
e)	Any other	—	—	—	—	—	—	—	—	—
	SUB-TOTAL (A) (2)	127012	0	127012	3.74	127012	0	127012	3.74	0
	TOTAL SHAREHOLDING OF PROMOTER (A)= (A) (1)+(2)	1150304	338976	1489280	43.80	1165280	324000	1489280	43.80	0
B.	PUBLIC SHAREHOLDING									
1.	Institutions									
a)	Mutual Funds	—	—	—	—	—	—	—	—	—
b)	Banks/ FI	100	100	200	0.01	100	100	200	0.01	0
c)	Central Govt	—	—	—	—	—	—	—	—	—
d)	State Govt(s)	—	—	—	—	—	—	—	—	—
e)	Venture Capital Funds	—	—	—	—	—	—	—	—	—
f)	Insurance Companies	—	—	—	—	—	—	—	—	—
g)	FIIS	—	—	—	—	—	—	—	—	—
h)	Foreign Venture Capital	—	—	—	—	—	—	—	—	—
i)	Fund Others (specify)	—	—	—	—	—	—	—	—	—
	Sub Total (B) (1)	100	100	200	0.01	100	100	200	0.01	0
2.	Non-Institutions									
a)	Bodies Corporate									
	i) Indian	157507	65200	222707	6.55	229012	64000	293012	8.61	2.06
	ii) Overseas	—	—	—	—	—	—	—	—	—

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	%	Demat	Physical	Total	%	
b)	Individuals									
	i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1080774	369462	1450236	42.65	1057113	363178	1420291	41.77	0.88
	ii) Individual Shareholders holding share capital in excess of ₹ 1 lakh	204324	0	204324	6.00	168124	0	168124	4.94	1.06
	c) Others (Specify)	—	—	—	—	—	—	—	—	—
	Clearing Member	8254	0	8254	0.24	4697	0	4697	0.13	0.11
	NRI (REPAT)	14642	1500	16142	0.47	13978	1500	1548	0.45	0.02
	NRI (NON-REPAT)	8857	0	8857	0.26	8918	0	8918	0.26	0
	SUB TOTAL (B) (2):	1474358	436162	1910520	56.20	1481842	428678	1910520	56.19	0.01
	TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)	1474458	436262	1910720	56.20	1481742	428978	1910720	56.20	0
C.	SHARES held by custodian for GDRs & ADRs									
	GRAND TOTAL (A+B+C)	2654762	775238	3400000	100	2647022	752978	3400000	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share-holding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	% change in Shareholding during the year
1	Suvina Engineers Pvt.Ltd.	778812	22.91	0	778812	22.91	0	0
2	KPT Employees Welfare Trust	324000	9.53	0	324000	9.53	0	0
3	Sunanda Ashok Kulkarni	162176	4.77	0	162176	4.77	0	0
4	Neema Dilip Kulkarni	127012	3.74	0	127012	3.74	0	0
5	Ashok Arvind Kulkarni	82304	2.42	0	82304	2.42	0	0
6	Ajit Arvind Kulkarni	14976	0.53	0	14976	0.53	0	0
	TOTAL	1489280	43.80	0	1489280	43.80	0	0

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	–	–	–	–
2	Date wise Increase / Decrease in Promoters Shareholding during the year, specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	–	–	–	–
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.3.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	DILIP SAKHARAM GHATGE IN30047642459968 a) At the beginning of the year b) Change during the year c) At the end of the year	72000	2.1176 No Change	72000 72000	2.1176 2.1176
2	KALPANA DILIP GHATGE IN30267933404419 a) At the beginning of the year b) Change during the year c) At the end of the year	72000	2.1176 No Change	72000 72000	2.1176 2.1176
3	BHUPESH KUMAR LODHA IN30051320999759 a) At the beginning of the year b) Change during the year c) At the end of the year	34000 04.7.14	1.0000 Sale	34000 -34000 NIL	1.0000 0 NIL
4	SEKHAR SHYAM 1204880000160613 a) At the beginning of the year b) Change during the year c) At the end of the year	26324 08.8.14	0.7742 Sale	26324 -26324 NIL	0.7742 0 NIL
5	BACHH RAJ NAHAR 1206540000000139 a) At the beginning of the year b) Change during the year c) At the end of the year	15203	0.4471 No Change	15203 15203	0.4471 0.4471

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.3.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6	VASANT TUKARAM SAWANT IN30112715258205 a) At the beginning of the year b) Change during the year c) At the end of the year	14473 09.1.15 23.1.15 30.1.15 06.2.15 06.3.15	0.4257 Buy Sale Sale Buy Sale	14473 +395 -850 -500 +700 -1000 13218	0.4257 0.3888
7	B.T.NAHAR & SONS HUF 1206540000000105 a) At the beginning of the year b) Change during the year c) At the end of the year	12693	0.3733 No Change	12693 12693	0.3733 0.3733
8	VIKAS PAI 1202060000763760 a) At the beginning of the year b) Change during the year c) At the end of the year	12400	0.3647 No Change	12400 12400	0.3647 0.3647
9	SHIVRAJ SINHJI S01140 a) At the beginning of the year b) Change during the year c) At the end of the year	12000	0.3529 No Change	12000 12000	0.3529 0.3529
10	SAIFUDDIN FAKHRUDDIN MIYAJIWALA IN30127630218829 a) At the beginning of the year b) Change during the year c) At the end of the year	10005	0.2943 No Change	10005 10005	0.2943 0.2943
11	SAKSHI CHANDAK IN30218910035796 a) At the beginning of the year b) Change during the year c) At the end of the year	0 02.1.15 09.1.15	0 Buy Buy	0 21292 2832 24124	0 0.6262 0.0832 0.7094
12	BHARTIBEN KISHORE GHIYA 1301990000377008 a) At the beginning of the year b) Change during the year c) At the end of the year	9571	0.2815 No Change	9571 9571	0.2815 0.2815

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	MADHAV LAXMAN APTE IN30115112475737	2400 No Change	0.0706	2400	0.0706
	a) At the beginning of the year				
	b) Change during the year				
2	PRAKASH ARVIND KULKARNI K00267	2160 No Change	0.0635	2160	0.0635
	a) At the beginning of the year				
	b) Change during the year				
	c) At the end of the year			2400	0.0706
	c) At the end of the year			2160	0.0635

V. INDEBTEDNESS –

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	314,095,706	77,197,556	2,745,000	394,038,262
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	839,011	–	–	839,011
Total (i+ ii+ iii)	314,934,717	77,197,556	2,745,000	394,877,273
Change in Indebtedness during the financial year				
• Addition	79,785,443	32,000,000	–	111,785,443
• Reduction	(45,162,734)	(28,336,400)	(2,745,000)	(76,244,134)
Net Change	34,622,709	3,663,600	(2,745,000)	35,541,309
Indebtedness at the end of the financial year				
i) Principal Amount	348,720,402	80,861,156	–	429,581,558
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due.	837,024	–	–	837,024
Total (i+ ii+ iii)	349,557,426	80,861,156	–	430,418,582

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of Director		Total Amount ₹
		Prakash Kulkarni Vice Chairman & Managing Director	Dilip Kulkarni Executive Director	
1	Gross salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,592,000	1,500,000	4,092,000
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	21,600	21,600	43,200
	(c) Profits in lieu of Salary under Section 17(3) of Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission	—	—	—
	- as % of profit - others specify	—	—	—
5	Others, PF & Gratuity	435,655	252,115	687,770
	Total (A)	3,049,255	1,773,715	4,822,970
	Ceiling as per the Act	5%	3%	8%

B) Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount ₹
		D.C. Shroff	M.L. Apte	S.S. Shirgaokar	S.C. Kirloskar	
1	Independent Directors					
	● Fee for attending Board / Committee Meetings	70,000	140,000	150,000	60,000	420,000
	● Commission	—	—	—	—	—
	● Others, please specify	—	—	—	—	—
	Total (1)	70,000	140,000	150,000	60,000	420,000
2	Other Non-Executive Directors	K.V.Pai	Mrs.P.P. Kulkarni	S.N.Inamdar		
	● Fee for attending Board / Committee Meetings	40,000	80,000	20,000	—	140,000
	● Commission	—	—	—	—	—
	● Others, please specify	—	—	—	—	—
	Total (2)	40,000	80,000	20,000		140,000
	Total (B)=(1+2)	110,000	220,000	170,000	60,000	560,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					1%

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD- NIL

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	—	—	—	—
	b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	—	—	—	—
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission - as % of profit - others, specify.	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	—	—	—	—

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. DIRECTORS					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

Annexure-III
Particulars of Contracts or Arrangements with Related Parties

Form No. AOC-2

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis- N.A.

Sl. No.	Particulars	Remarks
(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	NIL
(c)	Duration of the contracts / arrangements/transactions	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	NIL
(f)	Date(s) of approval by the Board	NIL
(g)	Amount paid as advances, if any	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	Particulars	KMP	Relative of KMP	Related Party
(a)	Name(s) of the related party and nature of relationship	Mr.Prakash Kulkarni Mr.Dilip Kulkarni	Smt.Malati Kulkarni Mr.Ajit Kulkarni Mr.Ashok Kulkarni Mrs.Prabha Kulkarni	Trimurti Engineering Tools Pvt.Ltd., Sangli
(b)	Nature of contracts/arrangements/ transactions	Remuneration	Dividend / Sitting Fees	Purchase / Sale of Goods
(c)	Duration of the contracts / arrangements/transactions	–	–	01.04.2014 to 31.03.2015
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	–	–	Total Amount of All Transactions upto ₹ 260 lacs
(e)	Date(s) of approval by the Board, if any	–	–	27.09.2014
(f)	Amount paid as advances, if any	–	–	–

For & On behalf of the Board of Directors

Pune
12th August, 2015

Prakash Kulkarni
Managing Director
DIN No.00052342

Dilip Kulkarni
Executive Director
DIN: 00184727

Annexure-II
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

KULKARNI POWER TOOLS LTD

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KULKARNI POWER TOOLS LTD.**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **KULKARNI POWER TOOLS LTD.**, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, its agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **KULKARNI POWER TOOLS LTD.**, for the financial year ended on 31st March, 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi. As informed to us none of the other laws are applicable specifically to the Company.

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

(i) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

We further report that -

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

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

Majority decision is carried through and recorded as part of the minutes.

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

We further report that during the audit period the approval of the members of the Company is accorded

1. as per the provisions under Section 180 (1)(a) of the Companies Act, 2013, for mortgaging and / or charging, all or any of the movable or immovable properties wherever situated upto a limit not exceeding ₹ 1,00,00,00,000 (Rupees One Hundred Crores Only).
2. as per the provisions under Section 180 (1)(c) of the Companies Act, 2013, for borrowing monies from time to time in excess of the aggregate of the Paid-up Capital and free reserves of the Company, upto a limit not exceeding ₹ 1,00,00,00,000 (Rupees One Hundred Crores Only).

**For MRM ASSOCIATES
COMPANY SECRETARIES**

**CS M. B. KASODEKAR
PARTNER**

Place: Pune

Date: 27th July, 2015

Membership No. F 2756

C. P. No: 1681

Unique Code of Partnership Firm : P2001MH006700

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
KULKARNI POWER TOOLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Kulkarni Power Tools Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30(A) to the financial statements;
 - 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s. P. G. Bhagwat
Chartered Accountants
Firm's Registration No: 101118W

Nikhil M Shevade
Partner
Membership No.217379

Place: Pune
Date : 28th May, 2015

ANNEXURE

Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements of even date.

1.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b. The fixed assets were physically verified during the year by the management at reasonable intervals. According to information and explanations given to us, no material discrepancies were noticed on such verification.
2.
 - a. The inventory was physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
 - b. The procedures followed for physical verification by management are reasonable and adequate in relation to size of Company and nature of its business.
 - c. The Company is maintaining proper records of inventory. Discrepancies between the physical stock and the book records noticed on verification were properly dealt with in the books of accounts.
3. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act.

Accordingly, the reporting under Clause 3 (iii) (a) and (b) of the Companies (Auditor's Report) Order, 2015, is not applicable to the Company.

4. In our opinion and according to the information given to us, there were adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in internal control system.
5. According to information and explanation given to us, the Company has complied with directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of Companies Act, 2013 and rules framed there under. As informed to us, no order has been passed by the Company Law Board in respect of the said provisions.
6. We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rules made by Central Government for the maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
7.
 - a. According to information and explanation given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

According to information and explanation given to us, no undisputed amount payable in respect of statutory dues were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.

- b. According to information and explanation given to us, there are no dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty and Cess which have not been deposited on account of any dispute other than those mentioned below:

Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Sales Tax	1,796,230	2009-10	Jt. Commissioner of Sales Tax (Appeals), Kolhapur
Karnataka Entry Tax	232,096	2011-12	Jt. Commissioner of Commercial Taxes (Appeals), Bengaluru
Income Tax	3,384,126	2011-12	Commissioner of Income Tax (Appeals), Kolhapur

- c. The amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within time.
8. The Company does not have any accumulated losses. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
9. The Company has not defaulted in repayment of dues to a Financial Institution or Bank.
10. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, accordingly the reporting under Clause 3 (x) of the Companies (Auditor's Report) Order, 2015, is not applicable to the Company.
11. In our opinion, the term loans have been applied for the purpose for which they were raised.
12. According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**For M/s P.G. Bhagwat
Chartered Accountants**
Firm Registration No: 101118W

Nikhil M Shevade
Partner
Membership No. 21737

Place: Pune
Date : 28th May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	2015	In ₹ 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	17,000,000	17,000,000
(b) Reserves and Surplus	2	262,989,480	263,580,623
		<u>279,989,480</u>	<u>280,580,623</u>
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	111,884,848	95,409,875
(b) Deferred Tax Liabilities (Net)	4	32,178,845	33,747,079
(c) Other Long Term Liabilities	5	2,833,000	2,078,000
(d) Long Term Provisions	6	11,052,675	10,789,173
		<u>157,949,368</u>	<u>142,024,127</u>
(3) Current Liabilities			
(a) Short Term Borrowings	7	275,273,870	247,774,827
(b) Trade Payables	39	151,619,761	123,167,384
(c) Other Current Liabilities	8	89,290,650	104,275,606
(d) Short Term Provisions	9	10,142,053	8,622,827
		<u>526,326,334</u>	<u>483,840,644</u>
TOTAL		<u>964,265,182</u>	<u>906,445,394</u>
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		340,597,187	365,510,711
(ii) Intangible Assets		2,054,525	601,163
(iii) Capital Work-In-Progress		5,098,808	1,305,369
(b) Non-Current Investments	11	1,080,000	880,000
(c) Long Term Loans and Advances	12	6,425,653	8,135,767
(d) Other Non-Current Assets	13	2,024,000	—
		<u>357,280,173</u>	<u>376,433,010</u>
(2) Current Assets			
(a) Inventories	14	254,859,594	186,254,209
(b) Trade Receivables	15	281,230,816	272,245,502
(c) Cash and Bank Balances	16	25,112,814	21,861,319
(d) Short Term Loans and Advances	17	44,350,595	48,110,431
(e) Other Current Assets	18	1,431,190	1,540,923
		<u>606,985,009</u>	<u>530,012,384</u>
TOTAL		<u>964,265,182</u>	<u>906,445,394</u>

Notes forming part of the Accounts and Significant Accounting Policies

27 to 48

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

M/s. P.G. Bhagwat

Chartered Accountants

Firm's Registration No: 101118W

Nikhil M. Shevade

Partner

Membership No.217379

For and On behalf of the Board of Directors

P.A. Kulkarni
Vice Chairman & Managing Director
DIN: 00052342

D.B. Kulkarni
Executive Director
DIN: 00184727

Place : Pune

Date : 28th May, 2015

Place : Pune

Date : 28th May, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	2015	In ₹ 2014
I. Revenue from Operations			
Sales of Products		914,436,776	972,382,115
Less : Excise Duty		57,272,811	79,286,121
	36 & 37	857,163,965	893,095,994
Other operating revenues		6,405,319	7,195,388
		863,569,284	900,291,382
II. Other Income	19	17,679,612	5,511,845
III. Total Revenue (I+II)		881,248,896	905,803,227
Expenses			
Cost of raw materials and components consumed	20	369,074,765	400,118,561
Purchase of stock-in-trade	21	201,083,113	95,303,178
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(64,834,942)	42,273,675
Employee benefits expense	23	94,065,002	97,161,621
Finance Costs	24	43,741,763	38,133,961
Depreciation and amortisation expense	25	37,496,015	38,867,030
Other expenses	26	199,017,023	192,898,381
IV. Total Expenses		879,642,739	904,756,407
V. Profit before exceptional, extraordinary items and Tax (III-IV)		1,606,156	1,046,820
VI. Exceptional items		—	—
VII. Profit before extraordinary items and tax (V-VI)		1,606,156	1,046,820
VIII. Extraordinary Items		—	—
IX. Profit before Tax (PBT) (VII-VIII)		1,606,156	1,046,820
X. Tax Expense			
Current Tax		429,400	492,120
MAT Credit Entitlement		(1,608,550)	—
Deferred Tax		(919,852)	(2,635,776)
Short / (Excess) Provision of Earlier Years		899,887	531,309
XI. Profit for the period [Profit After Tax (PAT)] (IX - X)		2,805,271	2,659,167
XII. Earnings Per Equity Share - Basic and Diluted	41	0.83	0.78
Notes forming part of the Accounts and Significant Accounting Policies	27 to 48		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

M/s. P.G. Bhagwat
Chartered Accountants
Firm's Registration No: 101118W

Nikhil M. Shevade
Partner
Membership No.217379

Place : Pune
Date : 28th May, 2015

For and On behalf of the Board of Directors

P.A. Kulkarni
Vice Chairman & Managing Director
DIN: 00052342

D.B. Kulkarni
Executive Director
DIN: 00184727

Place : Pune
Date : 28th May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	2015	In ₹ 2014
A Cash flow from operating activities		
Net Profit before taxation	1,606,156	1,046,820
Adjustments for		
Depreciation	37,496,015	38,867,030
(Profit)/Loss on sale of fixed assets	82,435	102,260
Unrealised Foreign Exchange (Gain)/Loss	(1,059,911)	(1,452,638)
Provision for doubtful receivables written back	(13,500,000)	1,000,000
Bad Debts Written off	15,500,000	—
Interest income	(1,130,351)	(985,656)
Dividend income	(33,328)	(120,100)
Interest expenses	43,741,763	38,133,961
Operating profits before working capital changes	82,702,779	76,591,677
(Increase)/decrease in trade receivables	(10,686,014)	(30,887,321)
(Increase)/decrease in other current and non-current assets	3,733,873	(19,336,154)
(Increase)/decrease in inventories	(68,605,385)	41,937,931
Increase/(decrease) in trade payables	26,585,599	4,783,797
Increase/(decrease) in current and non current liabilities	(3,355,754)	(8,071,274)
Increase/(decrease) in provisions	2,244,746	2,161,746
Cash generated from operations	32,619,845	67,180,402
Income tax paid	(239,926)	(7,562,249)
Net cash from operating activities	32,379,919	59,618,153
B Cash flow from investing activities		
Purchase of fixed assets	(20,009,724)	(7,368,747)
Proceeds from sale of fixed assets	99,286	535,942
Advance for Purchase of fixed assets	1,827,072	(813,613)
Reimbursement received towards cost of fixed assets	—	—
Sale/Purchase of investments	(200,000)	(170,000)
Interest received	1,149,089	1,137,518
Dividends received	33,328	120,100
Investment in bank deposits (having original maturity of more than three months)	(2,421,277)	(736,142)
Net cash from investing activities	(19,522,226)	(7,294,942)
C Cash flow from financing activities		
Proceeds from long term borrowings	55,000,000	22,500,000
Repayment of long term borrowings	(44,993,358)	(31,433,936)
(Repayment)/proceed of/from other borrowings (net)	25,704,043	155,967
Interest paid	(43,514,500)	(41,077,698)
Dividends paid	(1,910,745)	(3,222,434)
Tax on dividend paid	(288,915)	(577,830)
Net cash used in financing activities	(10,003,475)	(53,655,931)
Net increase in cash and cash equivalents	2,854,218	(1,332,720)
Cash and cash equivalents at the beginning of the year	13,081,208	14,413,928
Cash and cash equivalents at the end of the year	15,935,426	13,081,208

As per our report of even date attached

M/s. P.G. Bhagwat

Chartered Accountants

Firm's Registration No: 101118W

Nikhil M. Shevade

Partner

Membership No.217379

Place : Pune

Date : 28th May, 2015

For and On behalf of the Board of Directors

P.A. Kulkarni
Vice Chairman & Managing Director
DIN: 00052342

D.B. Kulkarni
Executive Director
DIN: 00184727

Place : Pune

Date : 28th May, 2015

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2015	In ₹ 2014
1 SHARE CAPITAL		
(A) Authorised, Issued, Subscribed and Paid-up Share Capital and par value per share		
Authorised Share Capital		
10,000,000 Equity Shares of ₹ 5 each	50,000,000	50,000,000
(Previous year 10,000,000 Equity Shares of ₹ 5 each)		
3,000,000 Preference Shares of ₹ 10 Each	30,000,000	30,000,000
(Previous year 3,000,000 Preference Shares of ₹ 10 each)		
	80,000,000	80,000,000
Issued, Subscribed and Fully Paid-up Share Capital		
3,400,000 Equity Shares of ₹ 5 each		
(Previous year 3,400,000 Equity Shares of ₹ 5 each)	17,000,000	17,000,000
(B) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year		
Number of shares outstanding as at the beginning of the year	3,400,000	3,400,000
Add:		
Number of shares allotted as fully paid up bonus shares during the year	-	-
Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	-	-
Number of shares allotted to employees pursuant to ESOPs/ESPs	-	-
Number of shares allotted for cash pursuant to public issue	-	-
Less:		
Number of shares brought back during the year	-	-
Number of shares outstanding as at the end of the year	3,400,000	3,400,000

(C) Rights of Equity Shareholders

The Company has only one class of Equity Shares, having par value of ₹ 5/- per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the Board of Directors, subject to the necessary approval from the shareholders. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

For the year 2014-15, the Directors have recommended dividend @ 10% (i.e. ₹ 0.50 per Equity Share of ₹ 5/- each) [Previous year 10% (i.e. ₹ 0.50 per Equity Share of ₹ 5/- each)]. The amount of dividend including corporate dividend tax works out to ₹ 2,046,086 [Previous year ₹ 1,988,915].

(D) Shares in the Company held by each Shareholder holding more than 5% Shares

Sr. No.	Name of Shareholder	Number of Shares held in the Company	
1	Suvina Engineers Pvt. Ltd.	778,812	778,812
2	Kulkarni Power Tools Employees Welfare Trust	324,000	324,000

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2015	In ₹ 2014
2 RESERVES AND SURPLUS		
(A) Capital Reserves		
Profit on reissue of forfeited shares		
Balance at the beginning and at the end of the year	14,926	14,926
(B) Securities Premium Account		
Balance at the beginning and at the end of the year	31,092,928	31,092,928
(C) Revaluation Reserve		
Balance at the beginning and at the end of the year	32,426,523	32,426,523
(D) General Reserve		
Balance as per last financial statement	160,592,134	160,592,134
Less: Transitional adjustment of depreciation as per Schedule II (Net of Tax)	1,350,328	-
Add: Transferred from statement of Profit and Loss	-	-
	159,241,806	160,592,134
(E) Surplus in the statement of Profit and Loss		
Balance as per last financial statement	39,454,112	38,783,860
Profit for the year	2,805,271	2,659,167
Less: Appropriations:		
Proposed Dividend on equity shares	1,700,000	1,700,000
Tax on proposed equity dividend	346,086	288,915
Transfer to General Reserve	-	-
Net Surplus in the statement of Profit and Loss	40,213,297	39,454,112
	262,989,480	263,580,623
3 LONG-TERM BORROWINGS		
(A) TERM LOANS FROM BANKS (Secured)		
Term loan from IDBI Bank Ltd.,(interest @ base rate + 2.5%, secured by hypothecation of machineries and mortgage of immovable property) (Part of the loan constituting original Rupee term loan repayable in 17 quarterly instalments starting from 31 st July, 2010, and remaining part constituting conversion of Buyers Credit into Rupee Term Loan repayable in 16 quarterly instalments starting from 30 th June, 2013).	7,305,252	15,015,559
Term loan from Bank of Maharashtra (interest @ base rate + 2.5%, secured by hypothecation of dies, moulds and machineries and mortgage of immovable property. Repayable in 20 quarterly instalments starting from 31 st March 2010).	-	2,709,041
Term loan from Shree Mahalaxmi Co-Op. Bank Ltd., (interest @ 12.50%, secured by mortgage of immovable property. Repayable in 60 monthly instalments starting from 25 th October, 2013).	12,482,316	17,382,533
Term loan from Shree Mahalaxmi Co-Op. Bank Ltd.,(interest @ 14.50%, secured by mortgage of immovable property. Repayable in 60 monthly instalments starting from 25 th June 2014).	10,667,465	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2015	2014
		In ₹
Term loan from IDBI Bank Ltd.,(interest @ base rate + 2.5%, secured by hypothecation of machineries and mortgage of immovable property. Repayable in 60 monthly instalments starting from 1 st April, 2012).	2,860,646	6,621,754
Term loan from Dombivali Nagari Sahakari Bank Limited., (interest @ 13.00%, secured by mortgage of immovable property. Repayable in 48 monthly instalments starting from 20 th August, 2015).	34,699,372	–
Term loan from Axis Bank Ltd., (interest @ 11.10%, secured by hypothecation of vehicles acquired out of the loan. Repayable in 36 monthly instalments).	–	121,142
Total Secured Term Loans	68,015,051	41,850,029
Out of above loans		
Loans guaranteed by Managing Director	68,015,051	41,728,887
(B) PUBLIC DEPOSITS (Unsecured)	–	400,000
(C) INTEREST FREE SALES TAX DEFERRED PAYMENT LIABILITY (Unsecured)	43,869,797	53,159,846
i) Liability of ₹ 26,107,000 to be repaid after 10 years from the year in which the Sales Tax is collected. The repayment starts from March, 2012 to March, 2019.		
ii) Liability of ₹ 2,940,000 to be repaid in five yearly equal instalments of ₹ 588,000 from March, 2018.		
iii) Liability of ₹ 35,625,000 to be repaid after 10 years from the year in which Sales Tax is collected. The repayment starts from March, 2014 to March, 2023.		
	111,884,848	95,409,875
4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
On depreciation /amortisation of Fixed Assets	37,505,411	43,076,147
Deferred Tax Assets		
On disallowance u/s 43B of Income Tax Act 1961	(5,326,566)	(4,949,668)
On Provision for Doubtful Receivables	–	(4,379,400)
	32,178,845	33,747,079
5 OTHER LONG-TERM LIABILITIES		
Deposit from Dealers	2,833,000	2,078,000
	2,833,000	2,078,000
6 LONG-TERM PROVISIONS		
Provision for Gratuity	9,195,788	8,466,558
Provision for Leave Encashment	1,856,887	2,322,615
	11,052,675	10,789,173

NOTES FORMING PART OF FINANCIAL STATEMENTS

		In ₹
	2015	2014
7 SHORT-TERM BORROWINGS		
(A) LOANS REPAYABLE ON DEMAND FROM BANKS		
Secured		
Working Capital Loans repayable on demand (secured against hypothecation of stocks and book debts and mortgage of immovable property)	254,019,370	229,233,927
	<u>254,019,370</u>	<u>229,233,927</u>
Out of above loans		
Loans guaranteed by Managing Director	254,019,370	229,233,927
(B) OTHER LOANS		
Unsecured		
Loan from Finance Companies	21,254,500	17,590,900
Public Deposits	—	950,000
	<u>21,254,500</u>	<u>18,540,900</u>
Out of above loans		
Loans guaranteed by Managing Director	5,454,500	9,090,900
	<u>275,273,870</u>	<u>247,774,827</u>
Note: There is no continuing default as at the balance sheet date, in repayment of any of the above loans and interest thereon.		
8 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Referred to in Note 3)	42,422,840	50,853,560
Interest accrued but not due on borrowings	837,024	839,011
Investor Education and Protection Fund (will be credited by following amounts as and when due):		
Unpaid dividends	1,820,302	2,031,047
Unpaid matured deposits and interest accrued thereon	—	—
Sales Tax payable	1,937,432	3,008,566
Other payables *	42,273,052	47,543,422
	<u>89,290,650</u>	<u>104,275,606</u>
* Includes statutory dues, advances from customers, and other expenses payables.		
9 SHORT-TERM PROVISIONS		
Provision for Employee Benefits :		
Provision for Gratuity	2,743,278	1,247,504
Provision for Leave Encashment	1,852,801	1,117,331
Provision for dividends (Including dividend distribution tax)	2,046,086	1,988,915
Provision for Income Tax (Net of Advance Tax)	1,019,592	1,523,297
Provision for Wealth Tax	80,296	95,780
Provision for Warranty	2,400,000	2,650,000
	<u>10,142,053</u>	<u>8,622,827</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

In ₹

10. TANGIBLE AND INTANGIBLE ASSETS

Particulars	Tangible Assets							Intangible Assets			
	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Dies, Moulds & Patterns	Furniture and Fixtures	Vehicles	Total	Technical Know-how	Computer Software	Total
Gross Block											
i) For own use :											
As at 01.04.2013	51,234,488	1,594,055	71,524,196	404,516,275	77,172,596	17,647,707	18,981,598	642,670,915	13,429,182	5,579,896	19,009,078
Additions	-	-	530,633	2,670,571	2,377,217	594,303	-	6,172,724	-	393,226	393,226
Other Adjustments	-	-	-	816,075	-	-	-	816,075	-	-	-
Disposals / Written off	-	-	-	7,850	-	-	748,550	756,400	-	-	-
As at 31.03.2014	51,234,488	1,594,055	72,054,829	407,995,071	79,549,813	18,242,010	18,233,048	648,903,314	13,429,182	5,973,122	19,402,304
Additions	-	-	-	8,307,363	4,986,651	697,566	-	13,991,580	-	2,224,029	2,224,029
Other Adjustments	-	-	-	675	-	-	-	675	-	-	-
Disposals	-	-	-	163,015	-	-	508,990	672,005	-	-	-
As at 31.03.2015 (A)	51,234,488	1,594,055	72,054,829	416,140,094	84,536,464	18,939,576	17,724,058	662,223,564	13,429,182	8,197,151	21,626,333
ii) Given on Lease :											
As at 01.04.2013	-	1,361,315	1,000,000	-	-	-	-	2,361,315	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2014	-	1,361,315	1,000,000	-	-	-	-	2,361,315	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2015 (B)	-	1,361,315	1,000,000	-	-	-	-	2,361,315	-	-	-
Total (A+B)	51,234,488	2,955,370	73,054,829	416,140,094	84,536,464	18,939,576	17,724,058	664,584,879	13,429,182	8,197,151	21,626,333

NOTES FORMING PART OF FINANCIAL STATEMENTS

In ₹

Depreciation / Amortisation

Particulars	Tangible Assets Patterns							Intangible Assets			
	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Dies, Moulds & Patterns	Furniture and Fixtures	Vehicles	Total	Technical Know-how	Computer Software	Total
i) For own use :											
As at 01.04.2013	-	332,007	17,025,185	174,663,452	43,224,062	7,571,752	4,251,243	247,067,701	13,429,182	4,869,906	18,299,088
Charge for the year	-	50,949	2,095,754	25,830,870	7,594,498	1,028,125	1,711,933	38,312,129	-	502,053	502,053
Depreciation on disposals	-	-	-	1,284	-	-	116,914	118,198	-	-	-
As at 31.03.2014	-	382,956	19,120,939	200,493,038	50,818,560	8,599,877	5,846,262	285,261,632	13,429,182	5,371,959	18,801,141
Charge for the year	-	50,950	2,821,717	24,925,614	6,042,104	2,402,757	2,428,068	38,671,210	-	770,667	770,667
Depreciation on disposals	-	-	-	159,765	-	-	330,519	490,284	-	-	-
As at 31.03.2015 (A)	-	433,906	21,942,656	225,258,887	56,860,664	11,002,634	7,943,811	323,442,558	13,429,182	6,142,626	19,571,808
ii) Given on Lease :											
As at 01.04.2013		155,584	283,854	-	-	-	-	439,438	-	-	-
Charge for the year	-	19,448	33,400	-	-	-	-	52,848	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2014	-	175,032	317,254	-	-	-	-	492,286	-	-	-
Charge for the year	-	19,448	33,400	-	-	-	-	52,848	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2015 (B)	-	194,481	350,654	-	-	-	-	545,134	-	-	-
Total (A+B)	-	628,387	22,293,310	225,258,887	56,860,664	11,002,634	7,943,811	323,987,692	13,429,182	6,142,626	19,571,808
Net Block											
As at 31.03.2015	51,234,488	2,326,983	50,761,519	190,881,208	27,675,799	7,936,943	9,780,247	340,597,187	-	2,054,525	2,054,525
As at 31.03.2014	51,234,488	2,397,382	53,616,636	207,502,033	28,731,253	9,642,133	12,386,786	365,510,711	-	601,163	601,163

Note: 1. Free hold land was revalued during the financial year 2003-04 and the surplus of ₹ 34,848,225 was credited to revaluation reserve. Out of which revaluation reserve of ₹ 2,421,702 reversed on sale of part land in financial year 2009-10.

2. Other adjustments includes borrowing costs and exchange difference capitalised, if any.

NOTES FORMING PART OF FINANCIAL STATEMENTS

		In ₹
	2015	2014
11 NON-CURRENT INVESTMENTS		
1,000 Shares (Previous year 1,000 shares) of ₹ 10 each of Saraswat Co-Op. Bank Ltd.	10,000	10,000
7,500 Shares (Previous year 4,500 shares) of ₹ 50 each of Shree Mahalaxmi Co-Op.Bank Ltd.	375,000	225,000
5,000 Shares (Previous year 5,000 shares) of ₹100 each of Samarth Sahakari Bank Ltd.	500,000	500,000
200 Shares (Previous year 200 shares) of ₹ 25 each of Shamrao Vithal Co-Op. Bank Ltd.	5,000	5,000
Investment in Capital Contribution of Pranit Nitten Developers LLP	140,000	140,000
1,000 Shares of ₹ 50 each of Dombivali Nagari Sahakari Bank Limited	50,000	–
	<u>1,080,000</u>	<u>880,000</u>
12 LONG-TERM LOANS AND ADVANCES		
(A) Capital Advances		
Unsecured , considered good	1,286,375	3,113,447
	<u>1,286,375</u>	<u>3,113,447</u>
(B) Security Deposits		
Unsecured, considered good	5,139,278	5,022,320
	5,139,278	5,022,320
	<u>6,425,653</u>	<u>8,135,767</u>
13 OTHER NON CURRENT ASSETS		
Bank Deposits with Original Maturity for more than 12 months (Refer Note No.16)	2,024,000	–
	<u>2,024,000</u>	<u>–</u>
14 INVENTORIES		
Raw Materials	81,442,808	77,958,821
Work-in-Progress (Refer Note No.38)	49,271,688	41,155,710
Finished Goods	40,384,261	43,168,972
Stock-in-trade (in respect of goods acquired for trading)	77,859,721	18,095,052
Stores and spares	4,777,162	3,547,167
Loose tools	1,123,954	2,328,487
Mode of Valuation - Refer Note No.29(D)	<u>254,859,594</u>	<u>186,254,209</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2015	In ₹ 2014
15 TRADE RECEIVABLES		
(A) Trade receivables outstanding for more than six months from the date they became due for payment:		
i) Unsecured, considered good	67,341,384	59,872,363
ii) Doubtful	–	13,500,000
Less: Provision for Doubtful Receivables	–	13,500,000
	<u>67,341,384</u>	<u>59,872,363</u>
(B) Trade Receivables (others)		
i) Unsecured, considered good	213,889,432	212,373,139
ii) Doubtful	–	–
	<u>213,889,432</u>	<u>212,373,139</u>
	<u>281,230,816</u>	<u>272,245,502</u>

16 CASH AND BANK BALANCES

	Non-Current		Current	
	2015	2014	2015	2014
(A) Cash and cash equivalents				
Balances with Banks:				
On current accounts	–	–	13,604,227	10,685,348
On unpaid dividend account	–	–	1,851,663	2,067,557
Cash on hand	–	–	479,536	328,303
	<u>–</u>	<u>–</u>	<u>15,935,426</u>	<u>13,081,208</u>
(B) Other Bank Balances				
Margin Money Deposits with Banks	–	–	9,177,388	8,780,111
Bank Deposits with Original Maturity for more than 12 months	2,024,000	–	–	–
	<u>2,024,000</u>	<u>–</u>	<u>9,177,388</u>	<u>8,780,111</u>
Amount disclosed under Non Current Asset (Note No. 13)	(2,024,000)	–	–	–
	<u>–</u>	<u>–</u>	<u>25,112,814</u>	<u>21,861,319</u>

17 SHORT-TERM LOANS AND ADVANCES

Advances receivable in cash or kind *

Unsecured, considered good	44,350,595	48,110,431
	<u>44,350,595</u>	<u>48,110,431</u>

* Includes primarily advances to sundry creditors, deposit with excise, staff advance, receivables from customs, excise and other sundry advances and receivables.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2015	In ₹ 2014
18 OTHER CURRENT ASSETS		
Interest accrued on bank deposits	409,690	428,428
Others - Unsecured, considered good:		
Sundry Deposits	1,021,500	1,112,495
	<u>1,431,190</u>	<u>1,540,923</u>
19 OTHER INCOME		
(A) Interest income on		
Bank Deposits	1,130,351	985,656
	<u>1,130,351</u>	<u>985,656</u>
(B) Dividend income on		
Long-term investments	33,328	120,100
	<u>33,328</u>	<u>120,100</u>
(C) Other		
Profit on sale of Fixed Assets	11,036	–
Lease Rent	360,000	360,000
Miscellaneous income	223,534	4,046,089
Net Gain on Foreign Currency Transactions	2,421,363	–
Provision for Doubtful Debts Written Back	13,500,000	–
	<u>16,515,933</u>	<u>4,406,089</u>
	<u>17,679,612</u>	<u>5,511,845</u>
20 COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	77,958,821	71,379,628
Add: Purchases	372,558,752	406,697,754
	<u>450,517,573</u>	<u>478,077,382</u>
Less: Inventory at the end of the year	81,442,808	77,958,821
Cost of raw material and components consumed (Refer Note No. 31 & 32)	<u>369,074,765</u>	<u>400,118,561</u>
21 PURCHASES OF STOCK-IN-TRADE		
Power Tools and Accessories	194,334,785	91,435,006
Blower Accessories	6,748,328	3,868,172
(Refer Note No. 37)	<u>201,083,113</u>	<u>95,303,178</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2015	In ₹ 2014
22 (INCREASE)/ DECREASE IN INVENTORIES		
Inventories at the beginning of the year		
Finished Goods	43,168,972	78,266,754
Work in Progress	41,155,710	43,660,024
Stock-in-trade	18,095,052	28,632,563
	<u>102,419,734</u>	<u>150,559,341</u>
Less: Inventories at the end of the year		
Finished Goods	40,384,261	43,168,972
Work in Progress	49,271,688	41,155,710
Stock-in-trade	77,859,721	18,095,052
	<u>167,515,670</u>	<u>102,419,734</u>
Excise duty on Stock differential *	260,994	(5,865,932)
(Increase) / Decrease in inventories	<u>(64,834,942)</u>	<u>42,273,675</u>
* Represents excise duty relating to difference between the opening and closing stock of finished goods. The excise duty shown as deduction from sales in statement of profit and loss represents excise duty on sales during the year.		
23 EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages, Bonus	85,453,720	88,679,227
Contribution to PF, and Other Funds	4,286,786	4,845,092
Gratuity expenses	2,823,631	1,078,181
Staff Welfare Expenses	1,500,865	2,559,121
	<u>94,065,002</u>	<u>97,161,621</u>
24 FINANCE COSTS		
Interest Expense	38,384,594	34,236,697
Other Borrowing costs	5,357,169	3,897,264
	<u>43,741,763</u>	<u>38,133,961</u>
25 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of tangible assets (Refer Note No.10)	36,725,346	38,364,977
Amortisation of intangible assets (Refer Note No.10)	770,669	502,053
	<u>37,496,015</u>	<u>38,867,030</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

	In ₹	
	2015	2014
26 OTHER EXPENSES		
Stores, spares consumed	17,429,498	19,157,490
Processing Charges	29,138,078	31,537,534
Power and Fuel consumed	11,129,878	11,253,970
Repairs to Plant and Machinery	7,007,492	7,664,726
Repairs to Factory Building	1,043,784	1,463,631
Services to Manufacturing	3,596,412	3,671,615
Rent	6,724,117	4,314,813
Insurance	2,147,851	2,034,374
Rates and Taxes other than taxes on income	1,425,532	1,421,039
Payment to Statutory Auditors:		
- as Auditors	225,000	180,000
- for other services (Limited Review and Certification)	79,500	39,000
- reimbursement of expenses (out of pocket expenses)	51,917	30,844
Legal, Professional and Consultancy Charges	6,880,140	6,630,892
Advertisement, Publicity and Sale Promotion	7,050,215	5,348,037
Directors' Fees	560,000	140,000
Warranty Expenses	2,448,022	4,396,751
Travelling & Conveyance	19,562,201	20,898,907
Printing & Stationery	2,482,894	2,372,556
Postage & Telephone	4,742,560	3,617,648
Product Distribution	25,086,931	26,996,123
Packing Material	17,504,340	19,064,485
Bad Debts Written off	15,500,000	-
Provision for Doubtful Receivables	-	1,000,000
Cash Discount	9,941,184	11,461,654
Loss on Sale of Fixed Assets	93,471	102,260
Net Loss on Foreign Currency Transactions	-	1,887,837
Miscellaneous Expenses	7,166,006	6,212,195
	<u>199,017,023</u>	<u>192,898,381</u>

NOTES FORMING PART OF ACCOUNTS

27 General Information about KPT

Kulkarni Power Tools Ltd. [KPT], is a Public Limited Company incorporated on 30th July, 1976, under the provisions of Companies Act, 1956. Its shares are listed at Bombay Stock Exchange. The Company is mainly engaged in the business of Electric Power Tools and Roots (Positive Displacement) Blowers / Exhausters for a wide variety of applications.

28 Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention except free hold land which was revalued during the financial year 2003-04.

29 Statement on Significant Accounting Policies

A. Fixed Assets and Intangible Assets

1. Fixed Assets other than those revalued are carried at cost of acquisition or construction (inclusive of freight, duties, taxes and expenses related to acquisition and installation and commissioning and net of modvat and vat wherever applicable) less accumulated depreciation. The fixed assets which are revalued are stated at the revalued amount.
2. Intangible Assets are recorded at the consideration paid for acquisition.
3. The Company assesses at each Balance Sheet date whether there is any indication that an asset or Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of the asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

B. Depreciation and Amortisation.

1. Depreciation on Tangible Fixed Assets is provided using Straight Line Method as per the Useful Life of assets prescribed in Part C of Schedule II of Companies Act, 2013. The Company has aligned its depreciation policy in accordance with Schedule II to the Companies Act, 2013. Consequently, with effect from 01-04-2014;
 - a. The carrying value of assets is now depreciated over their remaining useful lives;
 - b. Where the remaining useful life of an asset is Nil as on 01-04-2014, carrying value has been adjusted against opening reserves amounting to ₹ 13,50,328 (net of tax), in accordance with transitional provisions of Schedule II; and
 - c. On account of above change, depreciation expense charged to Statement of Profit and Loss for the year ended 31st March 2015 is higher by ₹ 31,51,730.
2. Depreciation on addition to assets or sale/disposal of assets is calculated pro rata from the date of such addition or up to the date of sale/disposal, as the case may be.
3. Dies and Moulds are depreciated over the useful life of 8.84 years.
4. Computer Software is amortised over the period of three years. Technical knowhow is amortised over the period of seven years. Leasehold lands are amortised over the period of lease.

NOTES FORMING PART OF ACCOUNTS

C. Investments

Long Term Investments are carried at cost of acquisition. A provision for diminution is made to recognise decline other than temporary, in the value of investments.

D. Valuation of Inventories

1 Raw Material, Stores and Spares

- i Raw materials, stores and spares are valued at the lower of cost and net realizable value.
- ii The cost is calculated on moving weighted average method.
- iii Cost comprises costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

2 Work-in-progress

Work-in-Process is valued at the lower of cost and net realizable value. Cost includes direct materials and labour and part of manufacturing overheads apportioned based on normal operating capacity.

3 Finished Goods

Finished Goods have been valued at lower of cost and at net realizable value. Excise duty at applicable rate is included in the value of finished goods.

4 Stock in Trade

Stock in Trade is valued at lower of the cost or net realisable value. The cost comprises of all the cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

E. Research and Development

Revenue Expenditure on Research and Development is charged off as an expense in the year in which incurred and the Capital Expenditure is grouped with fixed assets under appropriate heads and depreciation is provided at the applicable rates.

F. Employee Benefits

1. Defined Contribution Plans

The Company's Superannuation Scheme, state governed provident fund scheme are defined contribution plans. The contribution paid / payable under the scheme is recognised during the period in which the employee renders the related service.

2. Defined Benefit Plans

The Employees' Gratuity Fund Schemes managed by Trust is the Company's defined benefit plan. The present value of obligation under the defined benefit plans is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under the defined benefit plan, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

NOTES FORMING PART OF ACCOUNTS

Actuarial gains and losses are recognised immediately in the Profit and Loss statement.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

3. Other long term employee benefits

The obligation for long term employee benefits such as long term compensated absence is recognised in the same manner as in case of defined benefit plans as mentioned in note (2) above.

G. Revenue Recognition

1. Revenue in respect of insurance / other claims, interest, subsidy, etc., is recognised only when it is reasonably certain that the ultimate collection will be made.
2. Sales Value is inclusive of excise duty and export benefit and net of sales tax, sales returns, discounts and concessions.

H. Foreign Currency Transactions

1. All foreign currency transactions are accounted for at the rates prevailing on the date of the transaction.
2. The monetary items are restated at the rate of exchange prevailing on the date of the balance sheet. The difference in exchange arising on settlement of the short term monetary item or on restatement of the same at the year end is adjusted to Profit and Loss Account.
3. The Company has exercised the option allowed by the Ministry of Corporate Affairs vide its notification dated 29th December, 2011 on Accounting Standard 11. Accordingly, in respect of accounting periods commencing on or after the 1st April, 2011, the exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were reported in previous financial statements, in so far as they relate to the acquisition of depreciable capital asset is added to or deducted from the cost of the asset and depreciated over the balance life of the asset, and in other cases, accumulated in a " Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset or liability, by recognition as income or expense in each of such periods. Accordingly, exchange loss for the year ended 31st March, 2015, ₹ 675 (Previous Year ₹ 816,075) has been added to the cost of fixed assets.
4. In respect of amount payable in foreign currency covered by forward contracts, the premium is recognised over the period of contract.

I. Custom Claim Receivable

Custom Claims Receivable under Duty Free Replenishment Certificate, Duty Entitlement Pass Book, Licenses and Duty Drawback for export have been accounted based on shipment to overseas customers.

NOTES FORMING PART OF ACCOUNTS

J. Borrowing Costs

1. Borrowing costs that are attributable to acquisition, construction or erection of qualifying fixed assets incurred during the period of acquisition or construction, are capitalised as part of the cost of the asset.
2. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

K. Earning Per Share

1 Basic Earning per share

For the purpose of calculating basic earning per share, the net profit or loss for the period attributable to equity shareholders after deducting any attributable tax thereto for the period is divided by weighted number of equity shares outstanding during the period.

2 Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

L. Taxes on Income

1. Tax on income for the current period is determined on the basis of taxable income after considering the various deductions available under The Income Tax Act, 1961.
2. Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or substantially enacted regulations.
3. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. At each reporting date the company reassesses the unrecognized deferred tax assets and reviews the deferred tax assets recognized.

M. Provisions and Contingent Liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made. Provision for warranty related costs are recognized when the product is sold. Provision is based on historical experience. Contingent liability is disclosed in case of -

- a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- b. a present obligation arising from past events, when no reliable estimate is possible,
- c. a possible obligation arising from past events, where the probability of outflow of resources is not remote.

Contingent assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

N. Subsidies Received

- 1 Subsidies received towards specific fixed assets are reduced from gross block value of the concerned fixed asset.
- 2 Subsidies received related to revenue expenditure are deducted from related expenses.
- 3 Subsidies which are in nature of Investment subsidy are treated as capital reserve.

NOTES FORMING PART OF ACCOUNTS

	2015	In ₹ 2014
30 Contingent Liabilities and Commitments (To The Extent Not Provided For)		
A) Contingent Liabilities :		
a) Sales Tax	1,796,230	2,325,562
b) Central Excise	-	17,405,558
c) Karnataka Entry Tax	232,096	-
d) Income Tax	3,384,126	-
	<u>5,412,452</u>	<u>19,731,120</u>
B) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,967,189	4,994,062
b) Other Commitments :		
i. Please refer Note No.44 for Lease commitments.	11,938,421	8,859,618
ii. The Company has obtained sales tax payment deferral benefit under Package Scheme of Incentive 1988 and 1993 Scheme. The Company is obliged to comply the conditions specified under the said scheme. The outstanding balance payable under the said scheme is	59,606,656	59,606,656
31 Details of Raw Material and Components Consumed		
a) Ferrous castings	41,367,440	42,228,707
b) Steel	33,881,941	32,457,349
c) Copper wire	27,711,439	40,784,910
d) Non Ferrous castings	684,560	830,629
e) Other	265,429,385	283,816,966
	<u>369,074,765</u>	<u>400,118,561</u>
32 Value of Raw Material consumed and percentage there of to the total consumption (inclusive of components)		
a. Imported:		
Value	116,148,038	129,110,053
Percentage to total consumption	31%	32%
b. Indigenous:		
Value	252,926,727	271,008,508
Percentage to total consumption	69%	68%
	<u>369,074,765</u>	<u>400,118,561</u>
33 Value of imports calculated on CIF basis		
a. Raw Material, Components and Spares	103,645,564	125,323,737
b. Stock in Trade	134,078,110	56,623,545
c. Capital Goods	2,013,295	758,756

NOTES FORMING PART OF ACCOUNTS

		2015	In ₹ 2014
34 Expenditure in foreign currency			
a. Travelling		1,742,255	2,763,384
b. Professional Fees		—	277,968
c. Others		28,965	237,648
		<u>1,771,220</u>	<u>3,279,000</u>
35 Earnings in foreign currency			
FOB Value of exports		171,123,206	161,575,207
36 Sale of Manufacturing Products (Net of Excise Duty)			
Power Tools			
a. Tools		384,685,303	462,522,038
b. Spares		170,831,839	186,356,184
Blower			
a. Blower		111,337,316	101,990,500
b. Spares		21,783,253	18,034,770
Electricity		10,023,821	9,068,364
		<u>698,661,532</u>	<u>777,971,856</u>
37 Purchase and Sale of Stock in Trade			
		2015	2015
		Purchase	Sale
		2014	2014
		Purchase	Sale
Power Tools	Power Tools	174,740,049	99,125,217
	Accessories	19,594,736	51,215,791
		40,807,277	57,903,569
		50,627,729	51,616,400
Blower	Accessories	6,748,328	8,161,425
		3,868,172	5,604,169
		<u>201,083,113</u>	<u>158,502,433</u>
		<u>95,303,178</u>	<u>115,124,138</u>
38 Details of Work in Progress			
		2015	2014
Power Tools		34,012,936	27,401,813
Blower		15,258,752	13,753,897
		<u>49,271,688</u>	<u>41,155,710</u>
39 Based on available information, presently, there are no amounts payable / paid to parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.			
40 Amount of borrowing costs capitalised during the period		—	—

NOTES FORMING PART OF ACCOUNTS

	2015	In ₹ 2014
41 Earning per share		
a. Profit after tax as per the Profit & Loss Account	2,805,271	2,659,167
b. Weighted average of No. of Shares	3,400,000	3,400,000
c. Basic and Diluted Earnings Per Share of ₹ 5/- each	0.83	0.78
42 Segment Reporting		
I. Primary Segment Information (Business Segment)		
Revenue		
Sales		
Portable Power Tools	705,858,150	758,398,191
Blowers	141,281,994	125,629,439
Windmills	10,023,821	9,068,364
	<u>857,163,965</u>	<u>893,095,994</u>
Segment Results (Gross)		
Portable Power Tools	42,051,376	37,506,484
Blowers	17,801,233	12,373,334
Windmills	3,198,266	1,423,026
	<u>63,050,874</u>	<u>51,302,844</u>
Unallocated Corporate Expenses	25,866,523	24,829,296
Operating Profit	37,184,351	26,473,548
Interest Expense	43,741,763	38,133,961
Other Income	8,163,568	12,707,233
Profit / (Loss) before exceptional item	1,606,156	1,046,820
Exceptional Item	—	—
Profit before tax	1,606,156	1,046,820
Segment Assets		
Portable Power Tools	704,701,717	644,200,547
Blowers	131,279,596	130,892,385
Windmills	53,236,210	53,529,800
	<u>889,217,523</u>	<u>828,622,732</u>
Add: Unallocated Corporate Assets	73,967,659	76,942,662
	<u>963,185,182</u>	<u>905,565,394</u>
Segment Liabilities		
Portable Power Tools	165,879,852	143,951,639
Blowers	31,496,534	29,646,357
Windmills	—	—
	<u>197,376,386</u>	<u>173,597,996</u>
Add: Unallocated Corporate Liabilities	25,138,913	24,481,434
	<u>222,515,299</u>	<u>198,079,430</u>

NOTES FORMING PART OF ACCOUNTS

	2015	In ₹ 2014
Capital Expenditure		
Portable Power Tools	8,973,323	4,867,005
Blowers	3,223,093	2,515,020
Windmills	4,019,868	—
	16,216,284	7,382,025
Depreciation		
Portable Power Tools	26,104,321	27,724,989
Blowers	4,264,374	3,985,591
Windmills	3,837,860	5,254,453
	34,206,555	36,965,033
Non-cash expenses other than depreciation		
Portable Power Tools	—	1,880,747
Blowers	194,700	141,512
Windmills	—	—
	194,700	2,022,259

II. Secondary Segment Information (Geographical Segment)

The distribution of the Company's sales by geographical market is as under:

Net Sales	India	686,040,759	731,520,787
	Outside India	171,123,206	161,575,207
		857,163,965	893,095,994

Significant Accounting Policies relating to Segment Reporting

- a. Business Segments are determined on the basis of the goods manufactured and in accordance with Accounting Standard 17.
- b. Segment report is prepared in conformity with accounting policies adopted for preparing and presenting financial statements.

43 Employee Benefits

Disclosure under Accounting Standard-15, Employee benefit as per Companies Accounting Standard Rules.

I. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised as expense for the year are as under:

Employers' Contribution to Provident Fund	3,521,570	3,550,723
Employers' Contribution to Superannuation Fund	274,176	803,329
	3,795,746	4,354,052

NOTES FORMING PART OF ACCOUNTS

	2015	In ₹ 2014
II. Defined Benefits Plan		
Gratuity:		
Gratuity is payable to all eligible employee on retirement, death or termination in terms of provision of the Payment of Gratuity Act.		
The Company makes yearly contribution to a Gratuity Trust equal to premium of Group Gratuity Insurance with Life Insurance Corporation of India.		
I Assumptions		
Mortality as per -2006-08	LIC Ult table	LIC Ult table
Interest / Discount Rate	7.99%	9.31%
Rate of increase in compensation	3.00%	3.00%
Rate of return (expected) on plan assets 0.00%	7.99%	8.70%
Employee Average Attrition Rate	2.00%	2.00%
II Changes in present value of obligations		
PVO at beginning of period	14,810,767	13,372,992
Interest cost	1,378,882	1,103,272
Current Service Cost	853,210	807,046
Benefits Paid	(549,754)	(50,301)
Actuarial (gain)/loss on obligation	990,322	(422,242)
PVO at end of period	17,483,427	14,810,767
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	5,096,705	4,682,902
Expected Return on Plan Assets	443,413	407,412
Contributions	48,873	3,908
Benefit Paid	—	—
Actuarial gain/(loss) on plan assets	(44,630)	2,483
Fair Value of Plan Assets at end of period	5,544,361	5,096,705
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	5,096,705	4,682,902
Actual Return on Plan Assets	398,783	409,895
Contributions	48,873	3,908
Benefit Paid	—	—
Fair Value of Plan Assets at end of period	5,544,361	5,096,705

NOTES FORMING PART OF ACCOUNTS

		In ₹
	2015	2014
V Actuarial Gain/(Loss) Recognized		
Actuarial (Gain)/Loss for the period (Obligation)	990,322	(422,242)
Actuarial (Gain)/Loss for the period (Plan Assets)	44,630	(2,483)
Total (Gain)/Loss for the period	1,034,952	(424,725)
Actuarial (Gain)/Loss recognized for the period	1,034,952	(424,725)
Unrecognized Actuarial Gain/(Loss) at end of period	—	—
VI Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss Account		
PVO at end of period	17,483,427	14,810,767
Fair Value of Plan Assets at end of period	5,544,361	5,096,705
Funded Status	(11,939,066)	(9,714,062)
Unrecognized Actuarial Gain/(Loss)	—	—
Net Asset/(Liability) recognized in the balance sheet	(11,939,066)	(9,714,062)
VII Expense recognized in the Statement of P & L A/C		
Current Service Cost	853,210	807,046
Interest cost	1,378,882	1,103,272
Expected Return on Plan Assets	(443,413)	(407,412)
Net Actuarial (Gain)/Loss recognized for the period	1,034,952	(424,725)
Expense recognized in the statement of P & L A/C	—	—
Employee Benefit Expenses (Note No. 22)	2,823,631	1,078,181
VIII Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	9,714,062	8,690,090
Expenses as above	2,823,631	1,078,181
Contribution paid	(549,754)	(50,301)
Employer's Contribution	(48,873)	(3,908)
Closing Net Liability	11,939,066	9,714,062
IX Category of Assets		
Insurer Managed Funds	5,544,361	5,096,705

The estimates of future salary increase, considered in actuarial valuation, taking into account of inflation, seniority, relevant factors, such as supply and demand in the employment market.

NOTES FORMING PART OF ACCOUNTS

	2015	In ₹ 2014
44 Leased Assets:		
Disclosure as per Accounting Standard-19 on Leases as per Companies Accounting Standard Rules.		
a) i. The company has taken certain premises on operating lease. The Agreements entered into provide for renewal and rent escalation clause.		
ii. Particular of future minimum lease payments in respect of the same are as mentioned below:		
Period		
Not later than one year	5,934,042	3,872,338
Later than one year and not later than five years	6,004,379	4,987,280
Later than five years	—	—
	11,938,421	8,859,618
iii. Lease payment recognised in Profit & Loss Account for the year	6,165,487	4,314,813
b) i. The Company has given Land and Building under operating lease.		
ii. Particulars of future minimum lease payments in respect of the same are as mentioned below:		
Period		
Not later than one year	360,000	360,000
Later than one year and not later than five years	720,000	—
Later than five years	—	—
	1,080,000	360,000

45 Details of provisions and movements in each class of provisions- Disclosure as per Accounting Standard 29 'Provisions, Contingent Liabilities and Contingent Assets'.
Warranty :

Carrying amount at the beginning of the year	2,650,000	2,100,000
Additional provision made during the year	2,448,022	4,396,751
Amount used during the year	2,698,022	3,846,751
Unused amounts reversed during the year	—	—
Carrying amount at the end of the year	2,400,000	2,650,000

Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits.

Product Warranty :

Accruals have been made in respect of warranties given by the Company for the sales made during the year based on past experience.

NOTES FORMING PART OF ACCOUNTS

In ₹
2015 2014

46 Disclosure of Related Parties & Related Party Transactions :

Names of the related parties with whom transactions were carried out during the year and description of relationship

1. Key Management Personnel (KMP)
Designation

- | | | |
|-----|------------------------|-------------------------|
| i. | Mr. Prakash A.Kulkarni | Managing Director (MD) |
| ii. | Mr. Dilip B. Kulkarni | Executive Director (ED) |

2. Relatives of Key Management Personnel
Name of the transacting related party
Nature of relationship

- | | | |
|------|-----------------------------|---------------|
| i. | Late Smt. Malati A.Kulkarni | Mother of MD |
| ii. | Mr. Ajit A. Kulkarni | Brother of MD |
| iii. | Mr. Ashok A. Kulkarni | Brother of MD |
| iv. | Mrs. Prabha P. Kulkarni | Wife of MD |

3 Enterprise over which above persons have significant influence

Trimurti Engineering Tools Pvt Ltd

Disclosure of Related Party Transactions

In ₹

Sr. No.	Nature of Transaction	Key Management Personnel (KMP)	Relatives of KMP	Enterprise over which above person have significant influence	Total
1	Remuneration paid	4,822,970 (4,796,740)	– (–)	– (–)	4,822,970 (4,796,740)
2	Dividend Paid	– (–)	49,860 (99,720)	– (–)	49,860 (99,720)
3	Sitting Fees	– (–)	80,000 (–)	– (–)	80,000 (–)
4	Purchases of Goods	– (–)	– (–)	12,210,720 (10,088,352)	12,210,720 (10,088,352)
5	Sale of Goods	– (–)	– (–)	2,060,006 (1,684,304)	2,060,006 (1,684,304)
6	Rent Received	– (–)	– (–)	360,000 (360,000)	360,000 (360,000)
7	Outstanding Balance as on 31-03-2015				
	Payables	236,080 (226,780)	– (–)	521,969 (1,187,690)	758,049 (1,414,470)

47 Previous year's figures have been regrouped wherever necessary.

48 Figures in the brackets pertain to previous year.

As per our report of even date attached

M/s. P.G. Bhagwat
Chartered Accountants
Firm's Registration No: 101118W

Nikhil M. Shevade
Partner
Membership No.217379

Place : Pune
Date : 28th May, 2015

For and On behalf of the Board of Directors

P.A. Kulkarni
Vice Chairman & Managing Director
DIN: 00052342

D.B. Kulkarni
Executive Director
DIN: 00184727

Place : Pune
Date : 28th May, 2015

Polling Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : **KULKARNI POWER TOOLS LIMITED**

Registered office : **At Post – Shirol, Dist.Kolhapur 416103, Maharashtra, India.**

BALLOT PAPER

Sr. No.	Particulars	Details
1.	Name of the first named Shareholder	
2.	Postal Address	
3.	Registered Folio No./*Client ID No.	
4.	Class of Share	EQUITY

*Applicable to investors holding shares in dematerialized forms

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sr. No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Consideration and adoption of the Audited Balance Sheet of Company as at 31 st March, 2015, Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date, together with the report of the Directors and the Auditors, thereon.			
2.	Declaration of Dividend on Equity Shares for the year ended on 31 st March, 2015.			
3.	Appointment of Director in place of Mr. Prakash Kulkarni, who retires by rotation and being eligible, seeks reappointment.			
4.	Appointment of Statutory Auditors of the Company and to fix their remuneration.			
5.	Appointment of Dr. Ketan Pai as a Director.			
6.	Remuneration payable to Managing Director from 1 st April, 2014 for the remaining tenure of his appointment, in accordance with the Companies Act, 2013.			
7.	Reappointment of Managing Director as per Section 196 and 197 for a period of 5 years and approve the remuneration as per Part II of Schedule V of the Companies Act, 2013 for a period of 3 years effective 1 st April, 2016.			
8.	Revision in Articles of Association of the Company.			

Place :

Date :

(Signature of Shareholder)



KULKARNI POWER TOOLS LTD.

CIN : L29130MH1976PLC019147

Regd. Office : Shirol-416 103, Dist.Kolhapur

PROXY FORM

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____
Registered Address: _____ _____
E-mail ID: _____
Folio No. / Client ID & DP ID: _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

- Name: _____
Address: _____

E-mail Id: _____
Signature: _____ or failing him
- Name: _____
Address: _____

E-mail Id: _____
Signature: _____ or failing him
- Name: _____
Address: _____

E-mail Id: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty-ninth Annual General Meeting of the Members of Kulkarni Power Tools Ltd., to be held on Wednesday, the 30th day of September, 2015, at 11.30 a.m., at the Registered Office of the Company at Shirol-416 103, Dist.Kolhapur and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particular of Resolution(s)	For	Against
1.	Consideration and adoption of the Audited Balance Sheet of Company as at 31 st March, 2015, Statement of Profit and Loss Account and Cash flow Statement for the year ended on that date together with the report of the Directors and the Auditors, thereon.		
2.	Declaration of Dividend on Equity Shares for the year ended on 31 st March, 2015.		
3.	Appointment of Director in place of Shri Prakash Kulkarni, who retires by rotation and being eligible, seeks reappointment.		
4.	Appointment of Statutory Auditors of the Company and to fix their remuneration.		
5.	Appointment of Dr. Ketan Pai as a Director.		
6.	Remuneration payable to Managing Director from 1 st April, 2014 for the remaining tenure of his appointment, in accordance with the Companies Act, 2013.		
7.	Reappointment of Managing Director as per Section 196 and 197 for a period of 5 years and approve the remuneration as per Part II of Schedule V of the Companies Act, 2013 for a period of 3 years effective 1 st April, 2016.		
8.	Revision in Articles of Association of the Company.		

Signed this _____ day of _____, 2015.

Signature of Shareholder: _____

Affix
Revenue
Stamp

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the ensuing Annual General Meeting.

KPT BLOWERS

Keep environment clean

ROOTS BLOWERS



KULKARNI POWER TOOLS LTD.
Shirol 416 103, Dist. Kolhapur, Maharashtra, India
CIN : L29130MH1976PLC019147

Tel : 02322 661500, Fax : 02322 661546
E mail : kpt.ho@kpt.co.in
Web : www.kpt.co.in

