



**KULKARNI POWER TOOLS LTD.**

**41<sup>st</sup> ANNUAL REPORT  
2016-17**

## **KULKARNI POWER TOOLS LTD.**

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

### BOARD OF DIRECTORS

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

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## BOARD'S REPORT

To,

**The Members,**

Your Directors present the 41<sup>st</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL RESULTS :

	2017	In ₹ 2016
Turnover	<b>682,332,679</b>	650,488,107
Profit Before Interest, Depreciation, Tax & Exceptional Items	<b>21,995,875</b>	1,466,685
Add : Exceptional Items :		
Subsidy Received	<b>2,382,000</b>	5,428,982
Profit on Sale / Transfer of immoveable property	<b>57,637,393</b>	----
Less : Interest	<b>46,659,841</b>	45,198,517
Less : Depreciation	<b>36,642,154</b>	37,415,962
Profit Before Tax	<b>(1,286,727)</b>	(75,718,812)
Less : Provision for Taxation, including Deferred Tax Liability	<b>(204,768)</b>	( 4,147,944)
Profit After Tax	<b>(1,081,959)</b>	(71,570,868)
Add : Amount brought forward from last year	<b>(31,357,571)</b>	40,213,297
<b>APPROPRIATIONS :</b>		
Profit available for Appropriation	<b>(32,439,530)</b>	(31,357,571)
Proposed Dividend	---	---
Tax on Proposed Dividend	---	---
Transfer to General Reserve	---	---
Balance Carried Forward to Balance Sheet	<b>(32,439,530)</b>	(31,357,571)

### 2. OPERATIONS AND FUTURE PROSPECTS:

Availability of adequate working capital was a major factor affecting your Company's working in the year 2016-17 as in the year 2015-16. Demonetization in November 2016 completely destabilized both Dealer/s and Sub-dealer/s resulting in less order-flow. As the things were stabilizing, transition to GST has hit and confused the trading activity. These, it is learnt, are short term pains and things will improve.

One of your Company's existing Banker has recently released agreed working capital facilities and the gap is made up from fresh borrowing from local co-operative Bank/s. We are also working hard on inventory and improving credit availability from suppliers. In addition, your Company has decided to monetise some of the assets not immediately required for Company's business to improve availability of working capital and reduction in loans.

India has entered into a GST regime w.e.f. 1<sup>st</sup> July, 2017. This is a historic event in the Indian Industry. We believe that with introduction of "One Nation One Tax" reform, the last few years' slowdown in economy will improve positively and also help your Company to recover quickly.

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 ₹ 793.22 lacs, as against ₹ 1020.16 lacs in the previous year.

### **3. DIRECTORS & KEY MANAGERIAL PERSONNEL :**

The Company is governed by 8 Directors out of which four are Independent Directors, two Executive Directors, one Non-Independent Director and one Woman Director.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr.Prakash Kulkarni, Vice Chairman & Managing Director is the Key Managerial Personnel of the Company.

#### **Independent Directors**

Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### **Directors Retiring by Rotation**

Mr.Prakash Kulkarni, Director (DIN : 00052342), retires by rotation as per the provisions of Companies Act, 2013, and is eligible to be reappointed as a Director of the Company in the forthcoming Annual General Meeting. The Board recommends his appointment.

Dr.Ketan Pai, Director (DIN : 06980628), retires by rotation as per the provisions of Companies Act, 2013, and is eligible to be reappointed as a Director of the Company in the forthcoming Annual General Meeting. The Board recommends his appointment.

### **4. DIRECTORS' RESPONSIBILITY STATEMENT :**

To the best of their knowledge and belief and according to the information and explanation provided to them, your Directors, pursuant to Section 134(5) of the Companies Act, 2013, state 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 loss 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.

## 5. NUMBER OF MEETINGS OF THE BOARD:

The Board of Directors duly met 4 (four) times on 28.05.2016, 13.08.2016, 11-11-2016 and 11-02-2017, 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 4 (four) times on 28.05.2016, 13.08.2016, 11-11-2016 and 11-02-2017, in respect of which proper notices were given and the proceedings were properly recorded and signed.

The Nomination & Remuneration Committee of the Board of Directors also met 1 (one) time on 11.02.2017, in respect of which proper notice was given and the proceeding was 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.	28-05-2016	Mr. P.A. Kulkarni, Mr.M.L.Apte, Mr.D.C.Shroff, Mr.S.S. Shirgaokar, Mrs. P.P. Kulkarni, Mr.D.B. Kulkarni
2.	13-08-2016	Mr. P.A. Kulkarni, Mr.M.L. Apte, Mr.S.S. Shirgaokar, Mr.S.C. Kirloskar, Mrs. P.P. Kulkarni, Mr.D.B. Kulkarni, Dr.K.V. Pai
3.	11-11-2016	Mr. P.A. Kulkarni, Mr.M.L. Apte, Mr.D.C. Shroff, Mr.S.C. Kirloskar, Mr. S.S. Shirgaokar, Mrs. P.P. Kulkarni, Mr. D.B. Kulkarni, Dr. K.V. Pai
4.	11-02-2017	Mr. P.A. Kulkarni, Mr. M.L. Apte, Mr.D.C. Shroff, Mr. S.S. Shirgaokar, Mrs. P.P. Kulkarni, Mr. D.B. 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.	28-05-2016	Mr. S.S. Shirgaokar, Mr. M.L. Apte, Mr. D.B. Kulkarni
2.	13-08-2016	Mr. S.S. Shirgaokar, Mr. M.L. Apte, Mr. D.B. Kulkarni
3.	11-11-2016	Mr. S.S. Shirgaokar, Mr. M.L. Apte, Mr. D.B. Kulkarni
4.	11-02-2017	Mr. S.S. Shirgaokar, Mr. M.L. Apte, Mr. D.B. Kulkarni

The details of the Nomination & Remuneration Committee Meeting and the Directors who attended the meeting are given below :

Sl. No.	Dates of Meeting	Attended by
1.	11.02.2017	Mr.S.S.Shirgaokar, Mr.M.L.Apte, Mrs.P.P.Kulkarni

## 6. ANNUAL EVALUATION OF PERFORMANCE OF BOARD AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS :

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.

## 7. NOMINATION AND REMUNERATION COMMITTEE :

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

## 8. 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.

**9. STATUTORY AUDIT REPORT :**

With respect to Statutory Auditors' observations regarding Internal Financial Controls, please note that the Company has robust internal control system in place. As per new requirement, the Company has already started preparation and compilation of data in the required format in this respect.

**10. SECRETARIAL AUDIT REPORT :**

With respect to Secretarial Auditor's Report, attached as **ANNEXURE-I** to this Report, KPT has been advised by a Senior Legal Counsel that KPT does not require to have a separate CS as Key Managerial Personnel [KMP]. KPT has on its records the opinion to this effect.

**11. STATUTORY AUDITOR :**

As per the provisions of the Act, the period of office of M/s. P. G. Bhagwat, Chartered Accountant, Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint Mr. Dharmendra R. Prabhukhot, Chartered Accountant, Belgavi, as Statutory Auditor of the Company, for a term of 5 (five) consecutive years. Mr. Dharmendra R. Prabhukhot, Chartered Accountant, Belgavi, has confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditor of the Company.

**12. DIVIDEND :**

In view of the losses, the Directors do not recommend any dividend for the Financial Year 2016-17.

**13. CHANGE IN NATURE OF BUSINESS :**

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

**14. TRANSFER TO RESERVES :**

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

**15. CHANGES IN CAPITAL OF THE COMPANY :**

There are no changes in the capital of the Company.

**16. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY :**

Not Applicable.

**17. DEPOSITS :**

The Company has not accepted deposits.

**18. 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-II** to this Report.

**19. 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.

**20. 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.

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**21. 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 fourteen 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	:	₹ 793.22 lacs
Outgo	:	<b>a) Material</b> ₹ 1239.21 lacs
		<b>b) Others</b> ₹ 25.56 lacs
		<b>Total</b> ₹ 1264.77 lacs

**22. THREATS & CONCERNS :**

The leading brands always come up with lower priced and long range of products. We keep on watching this and suitable actions are considered.

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**23. SAFETY, HEALTH & ENVIRONMENT :**

Our Company continues to pursue its environmental friendly approach towards Industrial growth. Constant improvements are being made in the process.

**24. TECHNICAL INNOVATION :**

No significant products development, other than improving old ones, was made during the year.

**25. CORPORATE GOVERNANCE CERTIFICATE :**

Since the Paid-up Capital of the Company does not exceed rupees ten crores and the net worth does not exceed rupees twenty five crores, under the provision of Regulation 152 (a) of (Listing Obligations & Disclosure Requirements) Regulations, 2015, this certification requirement is not applicable.

**26. 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.

**27. 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.

**28. SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES :**

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

**29. IMPACT OF ANY REGULATION OR COURT ORDERS**

There are no material orders passed by the Regulation or Courts impacting on the Company's business.

**30. 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 2016-2017.

**31. ACKNOWLEDGEMENT :**

The Board of Directors would like to thank their customers, vendors, dealers and business associates for their continued support during the year.

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 place on record their appreciation of the contribution made by employees at all levels, during the year.

**For & On behalf of the Board of Directors**

**Place : Mumbai**  
**Date : 28<sup>th</sup> July, 2017**

**Prakash Kulkarni**  
**Managing Director**  
DIN : 00052342

**Dilip Kulkarni**  
**Executive Director**  
DIN: 00184727



## **ANNEXURE - I**

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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

To,

The Members,  
**KULKARNI POWER TOOLS LTD**  
**Shirol**

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 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - 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) Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I. Companies Act, 2013

- a) The Company has not appointed CS in the capacity of the Key Managerial Personnel (KMP) of the Company, as per the provisions of Section 203 of the Companies Act, 2013, read with rule 8 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

**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 Company has not taken any actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For MRM ASSOCIATES  
COMPANY SECRETARIES**

**Sd/-  
CS M. B. KASODEKAR  
PARTNER  
Membership No. F 2756  
C. P. No: 1681**

**Unique Code of Partnership Firm: P2001MH006700**

**Place : Pune**

**Date : 30<sup>th</sup> June, 2017**

**Annexure to Secretarial Audit Report**

To,

The Members,  
**KULKARNI POWER TOOLS LTD**  
**Shirol**

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

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

**For MRM ASSOCIATES  
COMPANY SECRETARIES**

Sd/-  
**CS M B KASODEKAR**  
**PARTNER**  
**Membership No. F 2756**  
**C. P. No: 1681**  
**Unique Code of Partnership Firm: P2001MH006700**

**Place : Pune**

**Date : 30<sup>th</sup> June, 2017**

**ANNEXURE - II**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2017

[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 :**

<b>i)</b>	CIN:-	L29130MH1976PLC019147
<b>ii)</b>	Registration Date	30 <sup>th</sup> July, 1976
<b>iii)</b>	Name of the Company	Kulkarni Power Tools Ltd.,
<b>iv)</b>	Category/ Sub-Category of the Company	Company Limited by Shares Indian Non-Government Company
<b>v)</b>	Address of the Registered office and contact details	At & Post. Shirol, Dist.Kolhapur, 416103, Maharashtra, India. Tel.02322-661500
<b>vi)</b>	Whether listed company Yes / No	Yes
<b>vii)</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s.LinkIntime 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 & Root 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	13%
2	Grinders & Sanders	84672900	23%
3	Root blowers	84145930	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 Share Holding :

Sl. No.	Category of Shareholders	No. of Shares held at the end of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	%	Demat	Physical	Total	%	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
	a) Individual/HUF	404661	0	404661	11.90	259456	0	259456	7.63	4.27
	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	150209	324000	474209	13.94	4.41
	<b>Sub Total (A) (1)</b>	<b>1183473</b>	<b>324000</b>	<b>1507473</b>	<b>44.34</b>	<b>1188477</b>	<b>324000</b>	<b>1512477</b>	<b>44.49</b>	<b>0.14</b>
<b>2</b>	<b>Foreign</b>									
	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	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A) (2)</b>	<b>127012</b>	<b>0</b>	<b>127012</b>	<b>3.74</b>	<b>127012</b>	<b>0</b>	<b>127012</b>	<b>3.74</b>	<b>0</b>
	<b>TOTAL SHAREHOLDING OF PROMOTER (A)= (A) (1)+(2)</b>	<b>1310485</b>	<b>324000</b>	<b>1634485</b>	<b>48.08</b>	<b>1315489</b>	<b>324000</b>	<b>1639489</b>	<b>48.22</b>	<b>0.14</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>1.</b>	<b>Institutions</b>									
	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)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B) (1)</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>0.01</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>0.01</b>	<b>0</b>
<b>2.</b>	<b>Non-Institutions</b>									
	a) Bodies Corporate									
	i) Indian	190488	4000	194488	5.72	216670	4000	220670	6.49	0.77
	ii) Overseas	0	0	0	0	0	0	0	0	0
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 2.lakh	1176809	362598	1539407	45.28	1109516	359961	1469477	43.33	2.06

Sl. No.	Category of Shareholders	No. of Shares held at the end of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	%	Demat	Physical	Total	%	
	ii) Individual shareholders holding share capital in excess of ₹ 2 lakh	0	0	0	0	43201	0	43201	1.27	1.27
	<b>c) Others(Specify)</b>									
	Clearing Member	6718	0	6718	0.20	6875	0	6875	0.20	0
	NRI (REPAT)	15789	1500	17289	0.51	15149	1500	16649	0.49	0.02
	NRI (NON-REPAT)	7413	0	7413	0.22	3439	0	3439	0.10	0.12
	<b>Sub Total (B) (2)</b>	<b>1397217</b>	<b>368098</b>	<b>1765315</b>	<b>51.92</b>	<b>1394850</b>	<b>365461</b>	<b>1760311</b>	<b>51.77</b>	<b>0.14</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)</b>	<b>1397317</b>	<b>368198</b>	<b>1765515</b>	<b>51.92</b>	<b>1394950</b>	<b>365561</b>	<b>1760511</b>	<b>51.78</b>	<b>0.14</b>
<b>C.</b>	<b>SHARES held by custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A+B+C)</b>	<b>2707802</b>	<b>692198</b>	<b>3400000</b>	<b>100</b>	<b>2710439</b>	<b>689561</b>	<b>3400000</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters :**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share-holding at the end of the year			% change in Shareholding during 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	
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	0.44	0	14976	0.44	0	0
7	Prabha Prakash Kulkarni	72000	2.12	0	0	0	0	2.12
8	Prakash Arvind Kulkarni	73205	2.15	0	0	0	0	2.15
9	Prabha Kulkarni Endowment Trust	0	0	0	76804	2.26	0	2.26
10	Prakash Kulkarni Endowment Trust	0	0	0	73405	2.16	0	2.15
	<b>TOTAL</b>	<b>1634485</b>	<b>48.08</b>	<b>0</b>	<b>1639489</b>	<b>48.22</b>	<b>0</b>	<b>0.14</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is 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	1634485	48.08	1634485	48.08
2	Date wise Increase / Decrease in Promoters Share - holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	09.05.16 30.12.16	Buy Buy	200 4804	0.00 0.14
3	At the End of the year	1639489	48.22	1639489	48.22

**(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 01.04.2016		Cumulative Shareholding during the year 31.3.2017	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	MANOJ J BAGADIA IN30133020658029				
	a) At the beginning of the year	35676	1.0493	–	
	b) Change during the year	08.04.16	Buy	5	
		24.06.16	Buy	100	
		23.09.16	Buy	716	
		30.09.16	Buy	200	
		07.10.16	Buy	1853	
		14.10.16	Buy	100	
		11.11.16	Buy	1	
		25.11.16	Buy	160	
		02.12.16	Buy	220	
		16.12.16	Buy	100	
		23.12.16	Buy	700	
		30.12.16	Buy	25	
		06.01.17	Buy	2169	
		03.03.17	Buy	690	
		10.03.17	Buy	210	
		31.03.17	Buy	276	
	c) At the end of the year	–	–	43201	1.2706

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.3.2017	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2	SAKSHI CHANDAK IN30218910035796				
	a) At the beginning of the year	28824	0.8477	–	–
	b) Change during the year	07.10.16	Sale	28000	–
		14.10.16	Sale	824	–
c) At the end of the year	–	–	–	–	
3	SAIFUDDIN FAKHRUDDIN MIYAJIWALA IN30127630218829				
	a) At the beginning of the year	20000	0.5882	–	–
	b) Change during the year	–	No Change	–	–
	c) At the end of the year	–	–	20000	0.5882
4	BACHH RAJ NAHAR 1206540000000139				
	a) At the beginning of the year	15203	0.4471	–	–
	b) Change during the year	–	No Change	–	–
	c) At the end of the year	–	–	15203	0.4471
5	GAYATHRI M IN30214810192594				
	a) At the beginning of the year	12394	0.3645	–	–
	b) Change during the year	30.06.16	Buy	1000	–
		04.11.16	Buy	1724	–
		07.10.16	Buy	1092	–
c) At the end of the year	–	–	16210	0.4768	
6	B.R.NAHAR & SONS HUF 1206540000000105				
	a) At the beginning of the year	12693	0.3733	–	–
	b) Change during the year	–	No Change	–	–
	c) At the end of the year	–	–	12693	0.3733
7	SHIVRAJ SINHJI S01140				
	a) At the beginning of the year	12000	0.3529	–	–
	b) Change during the year	–	No Change	–	–
	c) At the end of the year	–	–	12000	0.3529



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.3.2017	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8	BHARTIBEN KISHORE GHIYA 1301990000377008				
	a) At the beginning of the year	9571	0.2815	–	–
	b) Change during the year	–	No Change	–	–
	c) At the end of the year	–	–	9571	0.2815
9	ASHA RAMESH TOLAT IN30038610059949				
	a) At the beginning of the year	9400	0.2765	–	–
	b) Change during the year	–	No Change	–	–
	c) At the end of the year	–	–	9400	0.2765
10	DHARMESH LAXMINANDAN SHAH IN30047640019582				
	a) At the beginning of the year	8733	0.2569	–	–
	b) Change during the year	–	No Change	–	–
	c) At the end of the year	–	–	8733	0.2569
11	AMIT LAXMICHAND PATEL IN30048413286776				
	a) At the beginning of the year	–	–		
	b) Change during the year				
		01.10.16	5154	–	–
		07.10.16	2046	–	–
		28.10.16	96	–	–
		04.11.16	836	–	–
		11.11.16	839	–	–
		25.11.16	2500	–	–
		10.03.16	6	–	–
		17.03.16	240	–	–
	03.03.16	1978	–	–	
	24.03.16	131	–	–	
	c) At the end of the year	–	–	13826	0.4066

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	MADHAV LAXMAN APTE IN30115112475737				
	a) At the beginning of the year	2400	0.0706	–	–
	b) Change during the year	–	No Change	–	–
	c) At the end of the year	–	–	2400	–
2	PRAKASH ARVIND KULKARNI K00267				
	a) At the beginning of the year	2160	0.0635	–	–
	b) Change during the year	No Change	–	–	–
	c) At the end of the year	–	–	2160	0.0635
3	Ketan Vikas Pai 1301240002476689				
	a) At the beginning of the year	6200	0.1824	–	–
	b) Change during the year	–	No Change	–	–
	c) At the end of the year	–	–	6200	0.1824

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	349,897,129	60,359,846	Nil	410,256,975
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	63,429	Nil	Nil	63,429
<b>Total (i+ii+iii)</b>	<b>349,960,558</b>	<b>60,359,846</b>	<b>Nil</b>	<b>410,320,404</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	178,240,562	10,000,000	Nil	188,240,562
• Reduction	(161,011,864)	(21,490,049)	Nil	(182,501,913)
Net Change	17,228,698	(11,490,049)	Nil	5,738,649
Indebtedness at the end of the financial year				
i) Principal Amount	366,335,022	48,869,797	Nil	415,204,819
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	854,234	Nil	Nil	854,234
<b>Total (i+ii+iii)</b>	<b>367,189,256</b>	<b>48,869,797</b>	<b>Nil</b>	<b>416,059,053</b>

## 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 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	2,592,000	1,500,000	4,092,000
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission - as % of profit - others, specify...	–	–	–
5	Others, PF & Gratuity	357,895	207,115	565,010
	<b>Total (A)</b>	<b>2,971,495</b>	<b>1,728,715</b>	<b>4,700,210</b>
	<b>Ceiling as per the Act</b>	<b>5%</b>	<b>3%</b>	<b>8%</b>

### 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 • Commission • Others, please specify	60,000	180,000	180,000	40,000	460,000
	<b>Total (1)</b>	<b>60,000</b>	<b>180,000</b>	<b>180,000</b>	<b>40,000</b>	<b>460,000</b>
2	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	K.V. Pai 40,000	Mrs. P.P. Kulkarni 100,000	–	–	140,000
	<b>Total (2)</b>	<b>40,000</b>	<b>100,000</b>	<b>–</b>	<b>–</b>	<b>140,000</b>
	<b>Total (B)=(1+2)</b>	<b>100,000</b>	<b>280,000</b>	<b>180,000</b>	<b>40,000</b>	<b>600,000</b>
	<b>Total Managerial Remuneration</b>	–	–	–	–	–
	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) 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	-	-	-	-
	<b>Total</b>	-	-	-	-

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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	Mr. Ajit Kulkarni Mr. Ashok Kulkarni Mrs. Prabha Kulkarni	Trimurti Engineering Tools Pvt. Ltd.,
(b)	Nature of contracts/arrangements/ transactions	Remuneration	Dividend / Sitting Fees	Purchase / Sale of Goods
(c)	Duration of the contracts / arrangements/transactions	-	-	01.04.2016 to 31.03.2017
(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	-	-	29.04.2016
(f)	Amount paid as advances, if any	-	-	-

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

**Mumbai**  
**28<sup>th</sup> July, 2017**

**Prakash Kulkarni**  
**Managing Director**  
Din : 00052342

**Dilip Kulkarni**  
**Executive Director**  
Din : 00184727

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## 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 31<sup>st</sup> March, 2017, 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 and presentation 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 31<sup>st</sup> March 2017, and its loss and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note No. 50 to the financial statements which describes the revenue recognition on transfer of land to the partnership firm in which the Company is a partner. We have relied on the management's estimates and judgement regarding the collectability of the transfer proceeds. Our opinion is not qualified in this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016, 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, 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 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - 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 provision is required under the applicable law or accounting standards, for 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.
    - 4) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company.

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

**Nikhil M Shevade**  
**Partner**  
Membership No.217379

**Place : Mumbai**  
**Date : 27<sup>th</sup> May, 2017**

## Annexure - A to the Auditor's Report

(Referred to in paragraph 1 of our 'Report on Other Legal & Regulatory Requirement' of even date)

- i. 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.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory was physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. Discrepancies between the physical stock and the book records noticed on verification were properly dealt with in the books of accounts.
- iii. 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, 2013.

Accordingly, the reporting under paragraph 3 (iii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2016, is not applicable to the Company.

- iv. According to the information and explanation given to us, the Company has not given any loans, guarantee, security and it has not made any investments under Section 185 and 186 of the Companies Act, 2013, accordingly the reporting under paragraph 3 (iv) of the Companies (Auditor's Report) Order, 2016, is not applicable to the Company
- v. According to information and explanation given to us, the Company has not accepted any deposits from public. Accordingly the reporting under paragraph 3 (v) of the Companies (Auditor's Report) Order, 2016, is not applicable to the Company
- vi. 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.
- vii. 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	1,248,039	2011-12	Jt. Commissioner ( Appeal ) Kolhapur
Sales Tax	3,049,464	2012-13	Jt. Commissioner ( Appeal ) Kolhapur
Karnataka Entry Tax	568,978	April 2011 to Sep 2016	Jt. Commissioner of Commercial Taxes (Appeals), Bengaluru

- viii. The Company has not defaulted in repayment of dues to a Financial Institution or Bank.
- ix. In our opinion, the term loans have been applied for the purpose for which they were raised.
- x. According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.



- xi.** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii.** In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii.** According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.** According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv.** According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered in to non-cash transactions with directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable.
- xvi.** The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

**Place : Mumbai**  
**Date : 27<sup>th</sup> May, 2017**

**Nikhil M Shevade**  
**Partner**  
Membership No.217379

## **Annexure - B to the Auditor's Report**

(Referred to in paragraph 2(f) of our 'Report on Other Legal & Regulatory Requirement' of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and

directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

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

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

**Place : Mumbai**  
**Date : 27<sup>th</sup> May, 2017**

**Nikhil M Shevade**  
**Partner**  
Membership No.217379

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2017

Particulars	Note No.	2017	In ₹ 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	17,000,000	17,000,000
(b) Reserves and Surplus	2	190,336,653	191,418,612
		<u>207,336,653</u>	<u>208,418,612</u>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	129,244,419	143,889,141
(b) Deferred Tax Liabilities (Net)	4	28,116,500	28,003,291
(c) Other Long Term Liabilities	5	3,378,000	3,003,000
(d) Long Term Provisions	6	17,934,786	13,428,817
		<u>178,673,705</u>	<u>188,324,249</u>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	223,511,292	210,911,893
(b) Trade Payables	39	125,892,820	111,478,190
(c) Other Current Liabilities	8	107,656,664	108,063,518
(d) Short Term Provisions	9	3,918,178	7,072,689
		<u>460,978,954</u>	<u>437,526,290</u>
		<u>846,989,312</u>	<u>834,269,151</u>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		279,882,784	318,946,397
(ii) Intangible Assets		1,006,849	1,657,661
(iii) Capital Work-in-Progress		1,37,320	5,263,216
(b) Non Current Investments	11	1,370,000	1,280,000
(c) Long Term Loans and Advances	12	5,589,459	5,363,049
(d) Other Non Current Assets	13	60,715,902	5,509,684
		<u>348,702,314</u>	<u>338,020,007</u>
<b>(2) Current Assets</b>			
(a) Inventories	14	210,149,655	203,630,041
(b) Trade Receivables	15	215,382,911	232,536,963
(c) Cash and Bank Balances	16	34,209,582	21,835,066
(d) Short Term Loans and Advances	17	35,785,972	35,810,202
(e) Other Current Assets	18	2,758,878	2,436,872
		<u>498,286,998</u>	<u>496,249,144</u>
		<u>846,989,312</u>	<u>834,269,151</u>

Notes forming part of the Accounts and Significant Accounting Policies

27 to 51

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: Mumbai

Date : 27<sup>th</sup> May, 2017

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: Mumbai

Date : 27<sup>th</sup> May, 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017

		In ₹	
	Note No.	2017	2016
<b>I. Revenue from Operations</b>			
Sales of Products		741,886,663	705,856,902
Less : Excise Duty		59,553,984	55,368,795
	<b>36 &amp; 37</b>	<b>682,332,679</b>	<b>650,488,107</b>
Other operating revenues		9,863,123	6,000,263
		<b>692,195,802</b>	<b>656,488,370</b>
<b>II. Other Income</b>	<b>19</b>	<b>3,851,005</b>	2,163,144
<b>III. Total Revenue (I+II)</b>		<b>696,046,807</b>	<b>658,651,514</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	<b>20</b>	<b>261,583,453</b>	277,925,436
Purchase of stock-in-trade	<b>21</b>	<b>132,471,511</b>	82,729,674
Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>22</b>	<b>(16,029,124)</b>	32,251,288
Employee benefits expense	<b>23</b>	<b>100,083,415</b>	97,889,712
Finance Costs	<b>24</b>	<b>46,659,841</b>	45,198,517
Depreciation and amortisation expense	<b>25</b>	<b>36,642,154</b>	37,415,962
Other expenses	<b>26</b>	<b>195,941,677</b>	166,388,719
<b>IV. Total Expenses</b>		<b>757,352,927</b>	<b>739,799,308</b>
<b>V. Profit before exceptional, extraordinary items and Tax (III-IV)</b>		<b>(61,306,120)</b>	<b>(81,147,794)</b>
<b>VI. Exceptional items :</b>			
Subsidy Received		2,382,000	5,428,982
Profit on sale / Surplus over carrying amount on transfer of immovable property		57,637,393	-
<b>VII. Profit before extraordinary items and tax (V+/- VI)</b>		<b>(1,286,727)</b>	<b>(75,718,812)</b>
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit before Tax (PBT) (VII-VIII)</b>		<b>(1,286,727)</b>	<b>(75,718,812)</b>
<b>X. Tax Expense</b>			
Current Tax		-	-
Deferred Tax		113,209	(4,175,554)
Short / (Excess) Provision of Earlier Year		(317,977)	27,610
<b>XI. Profit for the period [Profit After Tax (PAT)] ( IX - X )</b>		<b>(1,081,959)</b>	<b>(71,570,868)</b>
<b>XII. Earnings Per Equity Share - Basic and Diluted</b>	<b>41</b>	<b>(0.32)</b>	<b>(21.05)</b>
<b>Notes forming part of the Accounts and Significant Accounting Policies</b>	<b>27 to 51</b>		

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: Mumbai**

**Date : 27<sup>th</sup> May, 2017**

**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: Mumbai**

**Date : 27<sup>th</sup> May, 2017**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017

	2017	In ₹ 2016
<b>A Cash flow from operating activities</b>		
<b>Net profit before taxation</b>	<b>(1,286,727)</b>	<b>(75,718,812)</b>
Adjustments for		
Depreciation	<b>36,642,154</b>	37,415,962
(Profit)/Loss on sale of fixed assets	<b>45,646</b>	(47,311)
Unrealised Foreign Exchange (Gain)/Loss	<b>(1,666,050)</b>	(556,274)
Bad Debts Written off	<b>27,771,402</b>	–
Interest income	<b>(1,456,132)</b>	(1,556,524)
Dividend income	<b>(31,762)</b>	(54,662)
Interest expenses	<b>46,659,841</b>	44,964,367
<b>Operating profits before working capital changes</b>	<b>106,678,372</b>	<b>4,446,746</b>
(Increase)/decrease in trade receivables	<b>(10,777,850)</b>	48,901,953
(Increase)/decrease in other current and non-current assets	<b>589,220</b>	9,281,621
(Increase)/decrease in inventories	<b>(6,519,614)</b>	51,229,553
Increase/(decrease) in trade payables	<b>14,451,423</b>	(39,953,569)
Increase/(decrease) in current and non-current liabilities	<b>(7,590,872)</b>	6,629,999
Increase/(decrease) in provisions	<b>1,351,458</b>	2,452,752
<b>Cash generated from operations</b>	<b>98,182,137</b>	<b>82,989,055</b>
Income tax paid	<b>(843,608)</b>	(1,714,758)
<b>Net cash from operating activities</b>	<b>97,338,529</b>	<b>81,274,297</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	<b>(8,659,530)</b>	(15,534,537)
Proceeds from sale of fixed assets	<b>16,812,051</b>	49,133
Advance for Purchase of fixed assets	<b>123,600</b>	322,876
Contribution in Partnership Firm	<b>(58,620,000)</b>	–
Sale/Purchase of investments	<b>(90,000)</b>	(200,000)
Interest received	<b>1,380,711</b>	1,136,602
Dividends received	<b>31,762</b>	54,662
Investment in bank deposits (having original maturity of more than three months)	<b>(1,743,577)</b>	(2,514,574)
<b>Net cash used in investing activities</b>	<b>(50,764,983)</b>	<b>(16,685,838)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from long term borrowings	<b>52,840,063</b>	80,700,000
Repayment of long term borrowings	<b>(51,201,570)</b>	(29,055,625)
(Repayment)/proceed of/from other borrowings (net)	<b>5,099,107</b>	(70,808,787)
Interest paid	<b>(45,869,036)</b>	(45,543,962)
Dividends paid	<b>(224,953)</b>	(1,840,637)
Tax on dividend paid	<b>–</b>	(346,086)
<b>Net cash used in financing activities</b>	<b>(39,356,389)</b>	<b>(66,895,097)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,217,157</b>	<b>(2,306,638)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>13,628,788</b>	<b>15,935,426</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>20,845,945</b>	<b>13,628,788</b>

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: Mumbai**  
**Date : 27<sup>th</sup> May, 2017**

**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: Mumbai**  
**Date : 27<sup>th</sup> May, 2017**

## NOTES FORMING PART OF FINANCIAL STATEMENTS

In ₹  
2016

### 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 (Previous year 10,000,000 Equity Shares of ₹ 5 each)	<b>50,000,000</b>	50,000,000
3,000,000 Preference Shares of ₹ 10 Each (Previous year 3,000,000 Preference Shares of ₹ 10 each)	<b>30,000,000</b>	30,000,000
	<u><b>80,000,000</b></u>	<u>80,000,000</u>

##### 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)	<u><b>17,000,000</b></u>	<u>17,000,000</u>
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#### (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	<b>3,400,000</b>	3,400,000
Issued / Reduction, if any during the period	-	-
<b>Number of shares outstanding as at the end of the year</b>	<u><b>3,400,000</b></u>	<u>3,400,000</u>

#### (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.

#### (D) Shares in the Company held by each shareholder holding more than 5% shares

Sl. No.	Name of the Shareholder	Number of shares held in the Company	
		2017	2016
1	Suvina Engineers Pvt. Ltd.	<b>778,812</b>	778,812
2	Kulkarni Power Tools Employees Welfare Trust	<b>324,000</b>	324,000

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	In ₹ 2016
<b>2 RESERVES AND SURPLUS</b>		
<b>(A) Capital Reserves</b>		
Profit on reissue of forfeited shares		
Balance at the beginning and at the end of the year	<b>14,926</b>	14,926
<b>(B) Securities Premium Account</b>		
Balance at the beginning and at the end of the year	<b>31,092,928</b>	31,092,928
<b>(C) Revaluation Reserve</b>		
Balance at the beginning and at the end of the year	<b>32,426,523</b>	32,426,523
<b>(D) Reserve for Contingencies</b>		
Balance as per last financial statement	<b>49,000,000</b>	–
Add: Transfer from General Reserve ( Refer Note No. 48 )	–	<b>49,000,000</b>
Less: Transfer to General Reserve	<b>27,500,000</b>	–
	<b>21,500,000</b>	<b>49,000,000</b>
<b>(E) General Reserve</b>		
Balance as per last financial statement	<b>110,241,806</b>	159,241,806
Add: Transfer from Reserve for Contingencies	<b>27,500,000</b>	–
Less: Transfer to Reserve for Contingencies	–	<b>49,000,000</b>
	<b>137,741,806</b>	<b>110,241,806</b>
<b>(F) Surplus in the statement of Profit and Loss</b>		
Balance as per last financial statement	<b>(31,357,571)</b>	40,213,297
Profit / (Loss) for the year	<b>(1,081,959)</b>	(71,570,868)
Less: Appropriations:		
Proposed Dividend on Equity Shares	–	–
Tax on Proposed Equity Dividend	–	–
<b>Net Surplus in the statement of Profit and Loss</b>	<b>(32,439,530)</b>	(31,357,571)
	<b>190,336,653</b>	<b>191,418,612</b>
<b>3 LONG-TERM BORROWINGS</b>		
<b>A) TERM LOANS FROM BANKS (Secured)</b>		
Term loan from Samarth Sahakari Bank Ltd.,( interest @ 15%, secured by mortgage of immovable property. Repayable in 84 monthly instalments starting from 31 <sup>st</sup> December 2015)	<b>41,826,634</b>	48,041,769
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 <sup>th</sup> October 2013)	<b>1,891,091</b>	8,090,793
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 <sup>th</sup> June 2014)	<b>4,413,532</b>	7,769,894
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 <sup>th</sup> August 2015)	<b>864,287</b>	25,757,499



## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	In ₹ 2016
Term loan from Shree Mahalaxmi Co-Op. Bank Ltd.,( interest @ 13.50%, secured by mortgage of immovable property. Repayable in 48 monthly instalments starting from 15 <sup>th</sup> May 2016)	<b>6,165,086</b>	9,474,385
Term loan from Shree Mahalaxmi Co-Op. Bank Ltd.,( interest @ 13.50%, secured by mortgage of immovable property. Repayable in 60 monthly instalments starting from 22 <sup>nd</sup> April, 2016)	<b>8,293,935</b>	10,705,221
Term loan from State Bank of India ( interest @ 9.90%, secured by hypothecation of vehicle acquired out of the loan. Repayable in 36 monthly instalments starting from 1 <sup>st</sup> July, 2015)	<b>60,847</b>	317,816
Term loan from Samarth Sahakari Bank Ltd.,( interest @ 15%, secured by mortgage of immovable property. Repayable in 84 monthly instalments starting from 30 <sup>th</sup> November 2016)	<b>17,368,032</b>	–
Term loan from Bank of Maharashtra ( interest @ 12.45%, secured by hypothecation of stock and receivables and mortgage of immovable properties. Repayable in 60 monthly instalments starting from 31 <sup>st</sup> March, 2017)	<b>23,873,030</b>	–
<b>Secured Term Loans</b>	<b><u>104,756,474</u></b>	<b><u>110,157,377</u></b>
<b>(B) TERM LOANS FROM OTHERS ( SECURED )</b>		
Term loan from Electronica Finance Limited ( interest @ 13.50%, secured by hypothecation of machinery acquired out of the loan. Repayable in 36 monthly instalments starting from 10 <sup>th</sup> November, 2016)	<b>1,664,445</b>	–
<b>Secured Term Loans</b>	<b><u>106,420,919</u></b>	<b><u>110,157,377</u></b>
Loans guaranteed by Managing Director (Including Current Maturities)	<b>147,510,918</b>	145,639,669
<b>(C) INTEREST FREE SALES TAX DEFERRED PAYMENT LIABILITY (Unsecured)</b>	<b>22,823,500</b>	33,731,764
i) Liability of ₹ 26,107,000 to be repaid after 10 years from the year in which the Sales Tax is collected. The repayment has started from March 2012 through 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 has started from March, 2014, through March, 2023.		
	<b><u>129,244,419</u></b>	<b><u>143,889,141</u></b>

**Note :** There is no continuing default as at the balance sheet date, in repayment of any of the above loans and interest thereon.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	In ₹ 2016
<b>4 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
On depreciation /amortisation of Fixed Assets	<b>35,534,950</b>	35,365,437
<b>Deferred Tax Assets</b>		
On disallowances under Income Tax Act 1961.	<b>7,418,450</b>	7,362,146
	<u><b>28,116,500</b></u>	<u><b>28,003,291</b></u>
<b>5 OTHER LONG-TERM LIABILITIES</b>		
Deposit from Dealers	<b>3,378,000</b>	3,003,000
	<u><b>3,378,000</b></u>	<u><b>3,003,000</b></u>
<b>6 LONG-TERM PROVISIONS</b>		
Provision for Gratuity	<b>14,931,956</b>	11,225,962
Provision for Leave Encashment	<b>3,002,830</b>	2,202,855
	<u><b>17,934,786</b></u>	<u><b>13,428,817</b></u>
<b>7 SHORT-TERM BORROWINGS</b>		
<b>(A) LOANS REPAYABLE ON DEMAND FROM BANKS</b>		
<b>Secured</b>		
Working Capital Loans repayable on demand (secured against hypothecation of stocks and book debts and mortgage of immovable property)	<b>167,496,041</b>	180,977,335
	<u><b>167,496,041</b></u>	<u>180,977,335</u>
<b>(B) OTHER LOANS</b>		
<b>Secured</b>		
Buyers Credit and Post Shipment Credits	<b>51,015,251</b>	22,734,558
<b>Unsecured</b>		
Loan from Finance Companies	<b>5,000,000</b>	7,200,000
	<u><b>56,015,251</b></u>	<u>29,934,558</u>
<b>Out of above loans</b>		
Loans guaranteed by Managing Director	<b>218,511,292</b>	203,711,893
	<u><b>223,511,292</b></u>	<u>210,911,893</u>

**Note:** There is no continuing default as at the balance sheet date, in repayment of any of the above loans and interest thereon.

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## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	In ₹ 2016
<b>8 OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt (Referred to in Note No. 3)	<b>62,449,107</b>	55,455,941
Interest accrued but not due on borrowings	<b>854,234</b>	63,429
Investor Education and Protection Fund (will be credited by following amounts as and when due):		
Unpaid dividends	<b>1,454,712</b>	1,679,665
Sales Tax payable	<b>2,824,874</b>	2,143,753
Other payables *	<b>40,073,737</b>	48,720,730
	<b><u>107,656,664</u></b>	<b><u>108,063,518</u></b>

\* Includes statutory dues, advances from customers and other expenses payables.

## 9 SHORT-TERM PROVISIONS

### Provision for Employee Benefits :

Provision for Gratuity	<b>1,099,250</b>	3,126,084
Provision for Leave Encashment	<b>1,198,928</b>	1,996,605
Provision for dividends (Including dividend distribution tax)	-	-
Provision for Income Tax ( Net of Advance Tax )	-	-
Provision for Wealth Tax	-	-
Provision for Warranty	<b>1,620,000</b>	1,950,000
	<b><u>3,918,178</u></b>	<b><u>7,072,689</u></b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 10. TANGIBLE AND INTANGIBLE ASSETS

In ₹

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
<b>Gross Block</b>											
<b>i) For own use :</b>											
<b>As at 01.04.2015</b>	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
Additions	240,000	-	29,898	8,052,807	5,155,370	336,567	951,575	14,766,217	-	618,950	618,950
Other Adjustments	-	-	-	-	(15,037)	-	-	(15,037)	-	-	-
Disposals / Written off	-	-	-	2,998,285	-	-	-	2,998,285	-	-	-
<b>As at 31.03.2016</b>	51,474,488	1,594,055	72,084,727	421,194,616	89,676,796	19,276,143	18,675,633	673,976,459	13,429,182	8,816,101	22,245,283
Additions	-	-	-	9,672,461	3,090,152	557,589	-	13,320,202	-	411,800	411,800
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
Disposals / Written off	14,307,143	-	2,282,566	7,421,965	11,029,433	1,538,929	1,672,612	38,252,648	-	-	-
<b>As at 31.03.2017 (A)</b>	37,167,345	1,594,055	69,802,161	423,445,112	81,737,515	18,294,803	17,003,021	649,044,013	13,429,182	9,227,901	22,657,083
<b>ii) Given on Lease :</b>											
<b>At 01.04.2015</b>	-	1,361,315	1,000,000	-	-	-	-	2,361,315	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2016</b>	-	1,361,315	1,000,000	-	-	-	-	2,361,315	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2017 (B)</b>	-	1,361,315	1,000,000	-	-	-	-	2,361,315	-	-	-
<b>Total (A+B)</b>	37,167,345	2,955,370	70,802,161	423,445,112	81,737,515	18,294,803	17,003,021	651,405,328	13,429,182	9,227,901	22,657,083

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Depreciation / Amortisation

In ₹

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
<b>i) For own use :</b>											
<b>At 01.04.2015</b>	-	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
Charge for the year	-	50,949	2,850,465	23,245,453	6,214,272	1,534,205	2,472,789	36,368,134	-	1,015,814	1,015,814
Depreciation on disposals	-	-	-	2,996,463	-	-	-	2,996,463	-	-	-
<b>As at 31.03.2016</b>	-	484,855	24,793,121	245,507,877	63,074,937	12,536,839	10,416,600	356,814,229	13,429,182	7,158,440	20,587,622
Charge for the year	-	50,950	2,717,974	22,195,736	6,611,477	1,567,046	2,404,381	35,547,564	-	1,062,612	1,062,612
Depreciation on disposals	-	-	607,102	7,421,965	11,029,429	1,538,929	850,950	21,448,375	-	-	-
<b>As at 31.03.2017 (A)</b>	-	535,805	26,903,993	260,281,648	58,656,985	12,564,956	11,970,031	370,913,418	13,429,182	8,221,052	21,650,234
<b>ii) Given on Lease :</b>											
<b>At 01.04.2015</b>	-	194,480	350,654	-	-	-	-	545,134	-	-	-
Charge for the year	-	19,449	12,565	-	-	-	-	32,014	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2016</b>	-	213,929	363,219	-	-	-	-	577,148	-	-	-
Charge for the year	-	19,447	12,531	-	-	-	-	31,978	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2017 (B)</b>	-	233,376	375,750	-	-	-	-	609,126	-	-	-
<b>Total (A+B)</b>	-	769,181	27,279,743	260,281,648	58,656,985	12,564,956	11,970,031	371,522,544	13,429,182	8,221,052	21,650,234
<b>Net Block</b>											
<b>at 31.03.2017</b>	37,167,345	2,186,189	43,522,418	163,163,465	23,080,530	5,729,847	5,032,990	279,882,784	-	1,006,849	1,006,849
<b>at 31.03.2016</b>	51,474,488	2,256,586	47,928,387	175,686,740	26,601,859	6,739,304	8,259,033	318,946,397	-	1,657,661	1,657,661

**Note:** 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 was reversed on sale of part of Land in financial year 2009-10.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

In ₹

2017 2016

### 11 NON-CURRENT INVESTMENTS

#### Non-Trade, Unquoted Investments, At Cost, Fully Paid

##### Investment in Limited Liability Partnership Firms

Investment in Capital Contribution of Pranit Nitten Developers LLP **140,000** 140,000

##### Investment in Partnership Firms

Investment in Capital Contribution of K P Developers **90,000** –

##### Other Investments

##### (Investment in Co-Operative Bank's Shares)

1,000 Shares (Previous year 1,000 shares ) of ₹ 10 each of Saraswat Co-Op. Bank Ltd. **10,000** 10,000

11,500 Shares ( Previous year 11,500 shares ) of ₹ 50 each of Shree Mahalaxmi Co-Op.Bank Ltd. **575,000** 575,000

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

1,000 Shares (Previous year 1,000 shares) of ₹ 50 each of Dombivali Nagari Sahakari Bank Ltd. **50,000** 50,000

**1,370,000** **1,280,000**

### 12 LONG-TERM LOANS AND ADVANCES

#### (A) Capital Advances

Unsecured , considered good **839,899** 963,499

**839,899** 963,499

#### (B) Security Deposits

Unsecured, considered good **4,749,560** 4,399,550

**4,749,560** 4,399,550

**5,589,459** **5,363,049**

### 13 OTHER NON CURRENT ASSETS

Contribution in Partnership Firm ( M/s. K.P. Developers ) **58,620,000** –

Margin Money Deposits with Banks (Refer Note No. 16 ) **2,095,902** 5,509,684

**60,715,902** **5,509,684**

### 14 INVENTORIES

Raw Materials **53,863,544** 63,184,208

Work-in-Progress ( Refer Note No.38) **30,373,328** 39,370,501

Finished Goods **26,975,401** 30,442,814

Stock-in-trade (in respect of goods acquired for trading) **93,552,673** 65,281,664

Stores and spares **4,148,818** 4,306,797

Loose tools **1,235,891** 1,044,057

**Mode of valuation Refer Note No. 29(D)** **210,149,655** **203,630,041**

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	In ₹ 2016
<b>15 TRADE RECEIVABLES</b>		
<b>(A) Trade receivables outstanding for more than six months from the date they became due for payment:</b>		
Unsecured, considered good	61,240,074	69,803,432
<b>(B) Trade Receivables (others)</b>		
Unsecured, considered good	154,142,837	162,733,531
	<u>215,382,911</u>	<u>232,536,963</u>

## 16 CASH AND BANK BALANCES

	Non Current		Current	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
<b>(A) Cash and cash equivalents</b>				
Balances with Banks:				
On current accounts	–	–	19,221,667	11,754,073
On unpaid dividend account	–	–	1,486,074	1,711,027
Cash on hand	–	–	138,204	163,688
	<u>–</u>	<u>–</u>	<u>20,845,945</u>	<u>13,628,788</u>
<b>(B) Other Bank Balances</b>				
Margin Money Deposits with Banks	2,095,902	5,509,684	12,454,817	8,206,278
Margin Money Deposits with Financial Institution	–	–	908,820	–
	<u>2,095,902</u>	<u>5,509,684</u>	<u>13,363,637</u>	<u>8,206,278</u>
Amount disclosed under Non Current Asset ( Note No. 13 )	(2,095,902)	(5,509,684)	–	–
	<u>–</u>	<u>–</u>	<u>34,209,582</u>	<u>21,835,066</u>

## 17 SHORT-TERM LOANS AND ADVANCES

Advances receivable in cash or kind \*

Unsecured, considered good	35,785,972	35,810,202
	<u>35,785,972</u>	<u>35,810,202</u>

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

## 18 OTHER CURRENT ASSETS

Interest accrued on bank deposits:	905,033	829,612
Income Tax ( Net of Provision )	1,748,845	587,260
Others - Unsecured, considered good:		
Sundry Deposits	105,000	1,020,000
	<u>2,758,878</u>	<u>2,436,872</u>

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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	2017	In ₹ 2016
<b>19 OTHER INCOME</b>		
<b>(A) Interest income on</b>		
Bank and other Deposits	1,456,132	1,556,524
	<u>1,456,132</u>	<u>1,556,524</u>
<b>(B) Dividend income on</b>		
Non Current investments	31,762	54,662
	<u>31,762</u>	<u>54,662</u>
<b>(C) Other</b>		
Profit on sale of Fixed Assets	–	47,311
Lease Rent	444,000	360,000
Miscellaneous income	1,647,709	144,647
Credit balances written back	271,402	–
	<u>2,363,111</u>	551,958
	<u>3,851,005</u>	<u>2,163,144</u>
<b>20 COST OF MATERIALS CONSUMED</b>		
Inventory at the beginning of the year	63,184,208	81,442,808
Add: Purchases	252,262,789	259,666,836
	<u>315,446,997</u>	341,109,644
Less: Inventory at the end of the year	53,863,544	63,184,208
<b>Total Cost of raw material and components consumed (Refer Notes No. 31 &amp; 32)</b>	<u>261,583,453</u>	<u>277,925,436</u>
<b>21 PURCHASES OF STOCK-IN-TRADE</b>		
Power Tools and Accessories	123,754,845	76,372,089
Blower Accessories	8,716,666	6,357,585
<b>(Refer Note No. 37)</b>	<u>132,471,511</u>	<u>82,729,674</u>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	In ₹ 2016
<b>22 (INCREASE)/ DECREASE IN INVENTORIES</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods	30,442,814	40,384,261
Work in Progress	39,370,501	49,271,688
Stock-in-trade	65,281,664	77,859,721
	<u>135,094,979</u>	<u>167,515,670</u>
<b>Less: Inventories at the end of the year</b>		
Finished Goods	26,975,401	30,442,814
Work in Progress	30,373,328	39,370,501
Stock-in-trade	93,552,673	65,281,664
	<u>150,901,402</u>	<u>135,094,979</u>
Excise duty on Stock differential *	(222,701)	(169,403)
<b>(Increase) / Decrease in inventories</b>	<u>(16,029,124)</u>	<u>32,251,288</u>
<p>* 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.</p>		
<b>23 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages, Bonus	91,561,251	86,871,245
Contribution to PF, and Other Funds	4,538,882	5,094,127
Gratuity expenses	2,182,050	2,718,024
Staff Welfare Expenses	1,801,232	3,206,316
<b>( Refer Note No.43 )</b>	<u>100,083,415</u>	<u>97,889,712</u>
<b>24 FINANCE COSTS</b>		
Interest Expense	42,726,130	41,546,100
Other Borrowing Costs	3,933,711	3,652,417
	<u>46,659,841</u>	<u>45,198,517</u>
<b>25 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation of tangible assets	35,579,542	36,400,148
Amortisation of intangible assets	1,062,612	1,015,814
<b>( Refer Note No. 10 )</b>	<u>36,642,154</u>	<u>37,415,962</u>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	In ₹ 2016
<b>26 OTHER EXPENSES</b>		
Stores, Spares consumed	<b>14,944,546</b>	14,487,675
Processing Charges	<b>25,293,917</b>	23,468,638
Power and Fuel consumed	<b>11,105,839</b>	10,407,589
Repairs to Plant and Machinery	<b>6,053,531</b>	7,689,511
Repairs to Factory Building	<b>1,440,848</b>	1,219,198
Services to Manufacturing	<b>3,715,359</b>	3,431,493
Rent	<b>6,251,622</b>	7,905,614
Insurance	<b>2,264,295</b>	2,254,103
Rates and Taxes (other than taxes on income)	<b>2,797,703</b>	464,209
Payment to Statutory Auditors:		
- as auditors	<b>225,000</b>	225,000
- for other services ( Limited Review and Certification )	<b>45,000</b>	63,000
- reimbursement of expenses ( out of pocket expenses )	<b>55,493</b>	31,866
Legal, Professional and Consultancy Charges	<b>8,495,829</b>	9,123,258
Advertisement, Publicity and Sales Promotion	<b>4,390,008</b>	5,234,825
Directors' Sitting Fees	<b>600,000</b>	560,000
Warranty Expense	<b>2,646,379</b>	2,124,609
Travelling & Conveyance	<b>20,045,279</b>	19,338,552
Printing & Stationery	<b>2,168,895</b>	1,927,563
Postage & Telephone	<b>2,159,866</b>	3,767,946
Product Distribution	<b>22,261,990</b>	19,250,072
Packing Material	<b>13,305,036</b>	14,027,338
Bad Debts Written Off	<b>27,771,402</b>	-
Cash Discount	<b>9,626,530</b>	9,813,926
Loss on Sale of Fixed Assets	<b>45,646</b>	-
Net Loss on Foreign Currency Transactions	-	1,572,086
Miscellaneous Expenses	<b>8,231,664</b>	8,000,648
	<b><u>195,941,677</u></b>	<b><u>166,388,719</u></b>

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## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 27 General Information about KPT

Kulkarni Power Tools Ltd., [KPT] is a Public Limited Company incorporated on 30<sup>th</sup> 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.
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.

#### 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 weighted average method.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

- 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-Progress 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 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 it is 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.
- 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 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. 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, Merchandise Exports from India Scheme (MEIS) and Duty Drawback for export have been accounted based on shipment to overseas customers.

### 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 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 FINANCIAL STATEMENTS

In ₹

2017 2016

### 30 Contingent Liabilities and Commitments (To The Extent Not Provided For)

#### A) Contingent Liabilities

a) Sales Tax	6,155,095	1,511,431
b) Central Excise	–	79,514
c) Karnataka Entry Tax	464,296	464,296
d) Income Tax	–	3,384,126
	<u>6,619,391</u>	<u>5,439,367</u>

#### B) Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	3,235,876	2,709,822
b) Other Commitments :		
i. Please refer Note No.44 for Lease commitments.	11,363,432	10,195,059
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	43,869,797	53,159,846

### 31 Details of raw material and components consumed

a) Ferrous castings	35,831,645	33,679,602
b) Steel	23,838,482	24,860,641
c) Copper wire	18,787,716	20,168,327
d) Non Ferrous castings	523,132	534,429
e) Other	182,602,478	198,682,437
	<u>261,583,453</u>	<u>277,925,436</u>

### 32 A Value of Raw Material consumed and percentage thereof to the total consumption ( inclusive of components)

a. Imported :		
(i) Value	55,615,100	79,769,189
(ii) Percentage to total consumption	21%	30%
b. Indigenous :		
(i) Value	205,968,353	198,156,247
(ii) Percentage to total consumption	79%	76%
	<u>261,583,453</u>	<u>277,925,436</u>

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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	2017	In ₹ 2016
<b>32 B Value of Stores and Spares consumed and percentage thereof to the total consumption</b>		
<b>a. Imported :</b>		
(i) Value	212,490	856
(ii) Percentage to total consumption	1.42%	0.01%
<b>b. Indigenous :</b>		
(i) Value	14,732,056	14,487,675
(ii) Percentage to total consumption	98.58%	99.99%
	<u>14,944,546</u>	<u>14,488,531</u>
<b>33 Value of imports calculated on CIF basis</b>		
a. Raw Material, Components and Spares	44,331,086	59,901,409
b. Stock in Trade	83,722,696	41,979,994
c. Capital Goods	420,191	1,793,891
<b>34 Expenditure in foreign currency</b>		
a. Travelling	2,682,612	1,332,857
b. Others	1,228,580	238,613
	<u>3,911,192</u>	<u>1,571,470</u>
<b>35 Earnings in foreign currency</b>		
FOB Value of exports	79,322,285	102,016,177
<b>36 Sale of Manufacturing Products ( Net of Excise Duty )</b>		
<b>Power Tools :</b>		
a) Tools	257,515,563	270,721,375
b) Spares	114,213,719	139,543,337
<b>Blowers :</b>		
a) Blowers	118,035,162	105,416,520
b) Spares	24,281,315	19,766,078
<b>Electricity</b>	10,931,921	7,650,984
	<u>524,977,680</u>	<u>543,098,294</u>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 37 Purchase and Sale of Stock in Trade

		2017		2016	
		Purchase	Sale	Purchase	Sale
<b>Power Tools</b>	Power Tools	101,047,257	81,719,019	64,452,402	77,203,783
	Accessories	22,707,588	61,830,410	11,919,687	16,013,749
<b>Blowers</b>	Accessories	8,716,666	13,805,570	6,357,585	14,172,281
		<u>132,471,511</u>	<u>157,354,999</u>	<u>82,729,674</u>	<u>107,389,813</u>

### 38 Details of Work in Progress & Finished Goods Manufactured

#### Work in Progress :

a) Power Tools	18,184,289	26,658,097
b) Blowers	12,189,039	12,712,404
	<u>30,373,328</u>	<u>39,370,501</u>

#### Finished Goods :

a) Power Tools	25,887,507	28,375,855
b) Blowers	1,087,894	2,066,959
	<u>26,975,401</u>	<u>30,442,814</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

– –

### 41 Earning Per Share

a. Profit after tax as per the Profit & Loss Account	(1,081,959)	(71,570,868)
b. Weighted average of No. of Shares	3,400,000	3,400,000
c. Basic and Diluted Earnings Per Share of ₹ 5/- each	(0.32)	(21.05)

### 42 Segment Reporting

#### I. Primary Segment Information (Business Segment)

#### Revenue

#### Sales :

a) Portable Power Tools	515,278,711	503,482,244
b) Blowers	156,122,047	139,354,879
c) Windmills	10,931,921	7,650,984
	<u>682,332,679</u>	<u>650,488,107</u>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	In ₹ 2016
<b>Segment Results (Gross) :</b>		
a) Portable Power Tools	<b>(9,423,357)</b>	(21,421,894)
b) Blowers	<b>17,346,067</b>	13,866,990
c) Windmills	<b>3,570,372</b>	(261,580)
	<b><u>11,493,082</u></b>	<b><u>(7,816,484)</u></b>
Un-allocated Corporate Expenses	<b>29,990,366</b>	30,295,937
<b>Operating Profit :</b>	<b>(18,497,284)</b>	(38,112,421)
a) Interest Expense	<b>46,659,841</b>	45,198,517
b) Other Income	<b>3,851,005</b>	2,163,144
<b>Profit / ( Loss ) before exceptional item</b>	<b>(61,306,120)</b>	(81,147,794)
<b>Exceptional Item:</b>		
a) Subsidy Received	<b>2,382,000</b>	5,428,982
b) Profit on sale/ surplus over carrying amount on transfer of immovable property	<b>57,637,393</b>	–
<b>Profit before exceptional item</b>	<b>(1,286,727)</b>	(75,718,812)
<b>Extraordinary Item</b>	–	–
<b>Profit Before Tax</b>	<b>(1,286,727)</b>	(75,718,812)
<b>Segment Assets :</b>		
a) Portable Power Tools	<b>523,691,642</b>	567,259,134
b) Blowers	<b>151,356,359</b>	131,785,200
c) Windmills	<b>52,673,035</b>	58,657,362
	<b><u>727,721,036</u></b>	<b><u>757,701,696</u></b>
Add: Unallocated Corporate Assets	<b>117,898,276</b>	75,287,455
	<b><u>845,619,312</u></b>	<b><u>832,989,151</u></b>
<b>Segment Liabilities :</b>		
a) Portable Power Tools	<b>112,162,450</b>	126,806,874
b) Blowers	<b>56,662,027</b>	36,215,936
c) Windmills	–	–
	<b><u>168,824,477</u></b>	<b><u>163,022,810</u></b>
Add: Unallocated Corporate Liabilities	<b>27,506,864</b>	24,567,463
	<b><u>196,331,341</u></b>	<b><u>187,590,273</u></b>
<b>Capital Expenditure :</b>		
a) Portable Power Tools	<b>2,796,299</b>	7,012,038
b) Blowers	<b>10,935,703</b>	1,783,389
c) Windmills	–	6,574,703
	<b><u>13,732,002</u></b>	<b><u>15,370,130</u></b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	2016
In ₹		
<b>Depreciation :</b>		
a) Portable Power Tools	25,151,645	25,658,996
b) Blowers	4,347,956	4,455,126
c) Windmills	4,620,734	4,815,275
	<u>34,120,335</u>	<u>34,929,397</u>
<b>Non-cash expenses other than depreciation :</b>		
a) Portable Power Tools	292,000	–
b) Blowers	–	177,800
c) Windmills	–	–
	<u>292,000</u>	<u>177,800</u>

### II. Secondary Segment Information ( Geographical Segment )

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

<b>Net Sales</b>	India	603,010,394	548,471,930
	Outside India	79,322,285	102,016,177
		<u>682,332,679</u>	<u>650,488,107</u>

### 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	4,270,258	4,651,463
Employers' Contribution to Superannuation Fund	268,624	442,664
	<u>4,538,882</u>	<u>5,094,127</u>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	In ₹ 2016
<b>II. Defined Benefits Plan</b>		
<b>Gratuity:</b>		
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.		
<b>i Assumptions</b>		
Mortality as per -2006-08	<b>LIC Ult table</b>	LIC Ult table
Interest / Discount Rate	<b>7.40%</b>	8.04%
Rate of increase in compensation	<b>3.00%</b>	3.00%
Rate of return (expected) on plan assets	<b>8.25%</b>	8.04%
Employee Average Attrition Rate	<b>2.00%</b>	2.00%
<b>ii Changes in present value of obligations</b>		
PVO at beginning of period	<b>20,367,477</b>	17,483,427
Interest cost	<b>1,608,712</b>	1,396,926
Current Service Cost	<b>906,671</b>	839,199
Benefits Paid	<b>(717,238)</b>	(305,045)
Actuarial (gain)/loss on obligation	<b>124,842</b>	952,970
PVO at end of period	<b>22,290,464</b>	20,367,477
<b>iii Changes in fair value of plan assets</b>		
Fair Value of Plan Assets at beginning of period	<b>6,015,432</b>	5,544,361
Expected Return on Plan Assets	<b>489,924</b>	442,994
Contributions	<b>53,580</b>	-
Mortality Charges and Taxes	<b>(60,424)</b>	-
Benefit Paid	<b>(207,505)</b>	-
Actuarial gain/(loss) on plan assets	<b>(31,749)</b>	28,077
Fair Value of Plan Assets at end of period	<b>6,259,258</b>	6,015,432
<b>iv Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at beginning of period	<b>6,015,432</b>	5,544,361
Actual Return on Plan Assets	<b>458,175</b>	471,071
Contributions	-	-
Benefit Paid	-	-
Fair Value of Plan Assets at end of period	<b>6,259,258</b>	6,015,432
<b>v Actuarial Gain/(Loss) Recognized</b>		
Actuarial (Gain)/Loss for the period (Obligation)	<b>124,842</b>	952,970
Actuarial (Gain)/Loss for the period (Plan Assets)	<b>31,749</b>	(28,077)
Total (Gain)/Loss for the period	<b>156,591</b>	924,893
Actuarial (Gain)/Loss recognized for the period	<b>156,591</b>	924,893
Unrecognized Actuarial Gain/(Loss) at end of period	-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	In ₹ 2016
<b>vi Amounts to be recognized in the Balance Sheet and Statement of Profit &amp; Loss Account</b>		
PVO at end of period	(22,290,464)	(20,367,477)
Fair Value of Plan Assets at end of period	6,259,258	6,015,432
Funded Status	(16,031,206)	(14,352,045)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the Balance Sheet	(16,031,206)	(14,352,045)
<b>vii Expense recognized in the statement of P &amp; L A/c</b>		
Current Service Cost	906,671	839,199
Interest cost	1,608,712	1,396,926
Expected Return on Plan Assets	(489,924)	(442,994)
Net Actuarial (Gain)/Loss recognized for the period	156,591	924,893
Expense recognized in the statement of P & L A/c	-	-
Employee Benefit Expenses ( Note No. 23 )	2,182,050	2,718,024
<b>viii Movements in the Liability recognized in Balance Sheet</b>		
Opening Net Liability	14,352,045	11,939,066
Expenses as above	2,182,050	2,718,024
Contribution paid	(509,733)	(305,045)
Employer's Contribution	(53,580)	-
Mortality Charges and Taxes	60,424	-
Closing Net Liability	16,031,206	14,352,045
<b>ix Category of Assets</b>		
Insurer Managed Funds	6,259,258	6,015,432

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

#### 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. Particulars of future minimum lease payments in respect of the same are as mentioned below:

##### Period

Not later than one year	4,886,033	4,860,096
Later than one year and not later than five years	6,477,399	5,334,963
	11,363,432	10,195,059

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	2017	In ₹ 2016
iii. Lease payment recognised in Profit & Loss Account for the year	<b>5,961,622</b>	<b>6,702,401</b>
b) i. The Company has given Land and Building under operating lease.		
ii. Particulars of future minimum lease receipts in respect of the same are as mentioned below:		
<b>Period</b>		
Not later than one year	<b>660,000</b>	360,000
Later than one year and not later than five years	<b>525,000</b>	360,000
	<b><u>1,185,000</u></b>	<b><u>720,000</u></b>

#### 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	<b>1,950,000</b>	2,400,000
Additional provision made during the year	<b>3,411,986</b>	2,724,609
Amount used during the year	<b>2,951,986</b>	2,574,609
Unused amounts reversed during the year	<b>790,000</b>	600,000
Carrying amount at the end of the year	<b>1,620,000</b>	1,950,000

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.

#### 46 The Company is partner in following firms :

M/s. KP Developers: Initial capital of the partnership firm is ₹ 100,000. Respective partners shares are as under :

<b>Partners :</b>	
Kulkarni Power Tools Limited	90%
Panchaganga Agro Private Limited	10%
	<b>100%</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

M/s.Pranit Nitten Developers LLP : Initial capital of the partnership firm is ₹ 200,000. Respective partners shares are as under :

<b>Partners :</b>	
Kulkarni Power Tools Limited	39%
Nitten Shrikant Chaugale	60%
Vikas Bhanudas Sonavale	1%
	<b>100%</b>

### 47 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 Enterprise over which control exists :

- i. Pranit Nitten Developers LLP
- ii. KP Developers

#### Nature of relationship

Company is Partner  
Company is Partner

#### 2 Key Managerial Personnel (KMP) :

- i. Mr. Prakash A.Kulkarni
- ii. Mr. Dilip B. Kulkarni

#### Designation

Managing Director (MD)  
Executive Director (ED)

#### 3 Relatives of Key Managerial Personnel :

##### Name of the transacting related party

- i. Mr. Ajit A. Kulkarni
- ii. Mr. Ashok A. Kulkarni
- iii. Mrs. Prabha P. Kulkarni

##### Nature of relationship

Brother of MD  
Brother of MD  
Wife of MD

#### 4 Enterprise over which above persons have significant influence :

- i. Trimurti Engineering Tools Pvt Ltd.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Disclosure of Related Party Transactions

In ₹

Sl. No.	Nature of Transaction	Enterprise over which control exist	Key Managerial Personnel (KMP)	Relatives of KMP	Enterprise over which above persons have significant influence	Total
1	Remuneration paid	-	4,700,210	-	-	4,700,210
		(-)	(4,822,970)	(-)	(-)	(4,822,970)
2	Dividend Paid	-	-	-	-	-
		(-)	(-)	(49,860)	(-)	(49,860)
3	Sitting Fees	-	-	80,000	-	80,000
		(-)	(-)	(80,000)	(-)	(80,000)
4	Purchases of Goods	-	-	-	15,340,100	15,340,100
		(-)	(-)	(-)	(10,161,750)	(10,161,750)
5	Sale of Goods	-	-	-	1,808,625	1,808,625
		(-)	(-)	(-)	(1,706,832)	(1,706,832)
6	Rent Received	-	-	-	360,000	360,000
		(-)	(-)	(-)	(360,000)	(360,000)
7	Outstanding Payables	-	267,750	-	14,921,251	15,189,001
		(-)	(228,080)	(-)	(1,876,559)	(2,104,639)
8	Outstanding Receivables	530,000	-	-	-	530,000
		(390,000)	(-)	(-)	(-)	(390,000)

**Note :** Figures in the brackets pertain to previous year.

- 48 Reserve for Contingencies is created against contingent doubtful debts. This reserve will not be utilised for any other purpose other than to act as a buffer against future contingencies relating to trade receivables. The Company has taken this step as a prudent practice.
- 49 The details of Specified Bank Notes (SBN) held and transacted during the period 8<sup>th</sup> November, 2016, to 30<sup>th</sup> December, 2016, as provided in the table below :

Particulars	SBN's	Other Denomination Notes	Total
Closing cash in hand as on 8 <sup>th</sup> November, 2016	42,000	39,832	81,832
Add -Permitted Receipts	-	566,940	566,940
Less -Permitted Payment	-	425,558	425,558
Less - Amount deposited in Bank	42,000	11,000	53,000
Closing Cash in hand as on 30 <sup>th</sup> December, 2016	-	170,214	170,214

- 50 The Company has entered into partnership with Panchganga Agro Pvt Ltd., under the style M/s.KP Developers. As a partner, the Company has contributed a parcel of land situated in Pune into the partnership for future development and sale. The Company has no effective control of the land and it has become the property of the partnership firm. The Company has made reliable estimates and judgement as to the future realisability and collectability of the transfer proceeds, based on which such transfer has been recorded in the books of accounts at the ready reckoner rates and the difference between above transfer rate and carrying amount is passed through the statement of profit and loss.
- 51 Previous year's figures have been regrouped wherever necessary.

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 : Mumbai**

**Date : 27<sup>th</sup> May, 2017**

**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 : Mumbai**

**Date : 27<sup>th</sup> May, 2017**



**Form No.MGT - 12****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**

Sl. 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:

Sl. 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 <sup>st</sup> March, 2017, 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.	Appoint a Director in place of Mr.Prakash Kulkarni, Director (DIN : 00052342), who retires by rotation and, being eligible, seeks re-appointment.			
3.	Appoint a Director in place of Dr.Ketan Pai, Director (DIN : 06980628), who retires by rotation and, being eligible, seeks re-appointment.			
4.	Appoint Auditor and to fix their remuneration.			
5.	Reappointment of Mr.Dilip Kulkarni, as an Executive Director, for a period of 5 years, w.e.f. 1 <sup>st</sup> April, 2017, subject to approval of the members in General Meeting as per Section 196 and 197 of the Companies Act, 2013.			

Place :

Date :

(Signature of Shareholder)





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Vikhroli (West), Mumbai 400 083