



KULKARNI POWER TOOLS LTD.

40th ANNUAL REPORT
2015-16

KULKARNI POWER TOOLS LTD.

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

BOARD OF DIRECTORS

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

BOARD'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the 40th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2016.

1. FINANCIAL RESULTS:

		In ₹
	2016	2015
Turnover	650,488,107	857,163,965
Profit Before Interest, Depreciation & Tax	6,895,667	82,843,934
Less : Interest	45,198,517	43,741,763
Less : Depreciation	37,415,962	37,496,015
Profit Before Tax	(75,718,812)	1,606,156
Less : Provision for Taxation, including Deferred Tax Liability	(4,147,944)	(1,199,115)
Profit After Tax	(71,570,868)	2,805,271
Add : Amount brought forward from last year	40,213,297	39,454,112
APPROPRIATIONS :		
Profit available for Appropriation	(31,357,571)	42,259,383
Proposed Dividend	---	1,700,000
Tax on Proposed Dividend	---	346,086
Transfer to General Reserve	---	---
Balance carried forward to Balance Sheet	(31,357,571)	40,213,297

2. OPERATIONS AND FUTURE PROSPECTS:

The power tools market is largely dependent on infrastructure and construction which did not see any significant growth in the last year. The situation forced every player to fight for a share. Liquidity crunch in the market, as a result of tightening credit flow by Banks, led to slow growth of power tools market.

The financial year 2015-16 has been disappointing in the history of your Company. You shall notice that increase in the turnover would have helped the Company to show a positive result. The drop in the top line is directly related to non-availability of material for sale which, in turn, is related to cash flow issues. Your Company found it difficult to raise funds from the bankers.

Your Company continues to control overheads and the material costs. Various steps have been taken so Company can turn around in the new year.

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 ₹ 1020.16 lacs, as against ₹ 1711.23 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 Director and one Woman Director.

Mr. Prakash Kulkarni, Vice Chairman & Managing Director and Mr. Dilip Kulkarni, Executive Director are 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 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

Mrs. Prabha Kulkarni, Director (DIN : 0053598), 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 her appointment.

Mr. Dilip Kulkarni, Executive Director (DIN : 00184727), 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 have 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 28.05.2015, 12.08.2015, 03-11-2015 and 11-02-2016, 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 28.05.2015, 12.08.2015, 03-11-2015 and 11-02-2016, 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 2 (two) times on 28.05.2015 & 12.08.2015, in respect of which proper notices were given and the proceedings were properly recorded and signed.

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

Sl. No.	Dates of Meeting	Attended by
1.	28-05-2015	Mr. P.A. Kulkarni, Mr. M.L. Apte, Mr. D.C. Shroff, Mr. S.S. Shirgaokar, Mr. S.C. Kirloskar, Mrs. P.P. Kulkarni, Mr. D.B. Kulkarni, Dr. K.V. Pai.
2.	12-08-2015	Mr. P.A. Kulkarni, Mr. M.L. Apte, Mr. S.S. Shirgaokar, Mrs. P.P. Kulkarni, Mr. D.B. Kulkarni, Dr. K.V. Pai
3.	03-11-2015	Mr. P.A. Kulkarni, Mr. M.L. Apte, Mr. D.C. Shroff, Mr. S.C. Kirloskar, Mrs. P.P. Kulkarni, Mr. D.B. Kulkarni,
4.	11-02-2016	Mr. P.A. Kulkarni, Mr. M.L. Apte, Mr. D.C. Shroff, Mr. S.C. Kirloskar, 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.	28-05-2015	Mr. S.S. Shirgaokar, Mr. M.L. Apte, Mr. D.B. Kulkarni
2.	12-08-2015	Mr. S.S. Shirgaokar, Mr. M.L. Apte, Mr. D.B. Kulkarni
3.	03-11-2015	Mr. M.L. Apte, Mr. D.B. Kulkarni
4.	11-02-2016	Mr. M.L. Apte, Mr. D.B. Kulkarni

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

Sl. No.	Dates of Meeting	Attended by
1.	28-05-2015	Mr. S.S. Shirgaokar, Mr. M.L. Apte
2.	12-08-2015	Mr. S.S. Shirgaokar, Mr. M.L. Apte

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 formed 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 Auditor's 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 CFO & CS as Key Managerial Personnel [KMP]. KPT has on its records the opinion to this effect. However, KPT wishes to

state here that there is a qualified Chartered Accountant [CA] who is also qualified Company Secretary [CS] heading the Finance Department of the Company.

11. STATUTORY AUDITOR:

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

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

12. DIVIDEND:

In view of the losses, the Directors do not recommend any dividend for the Financial Year 2015-16.

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.

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 thirteen 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	:	₹ 1020.16 lacs
Outgo	:	a) Material ₹ 985.71 lacs
		b) Others ₹ 15.71 lacs
Total		₹ 1001.42 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.

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 2015-2016.

31. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE:

Particulars of Employees and related disclosure under section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, following information is given.

The Ratio of remuneration paid to the Managing Director and Executive Director to the median remuneration of the employees of the Company is -

Particulars	Median Ratio	% Increase in Remuneration
Managing Director	12.13:1	Nil
Executive Director	7.06:1	Nil

32. ACKNOWLEDGEMENT:

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

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

For & On behalf of the Board of Directors

Pune
13th August, 2016

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 31ST MARCH, 2016

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

To,

The Members,

KULKARNI POWER TOOLS LTD

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

Based on our verification of the **KULKARNI POWER TOOLS LTD** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, its agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **KULKARNI POWER TOOLS LTD** for the financial year ended on 31st March, 2016, according to the provisions of:

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

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. As informed to us none of the other laws are applicable specifically to the Company.

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

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

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

I. Companies Act, 2013

- a) The Company has not appointed, the CFO & 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.

II. Listing Agreement:

- a) The Company has not complied with Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to appointment of qualified Company Secretary as the Compliance Officer.

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 : 23rd May, 2016

ANNEXURE-II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN:-	L29130MH1976PLC019147
ii) Registration Date	30 th July, 1976
iii) Name of the Company	Kulkarni Power Tools Ltd.,
iv) Category/ Sub-Category of the Company	Company Limited by Shares Indian Non- Government Company
v) Address of the Registered office and contact details	At & Post: Shirol, Dist.Kolhapur, 416103, Maharashtra, India. Tel.02322-661500
vi) Whether listed company Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s.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	13.82
2	Grinders & Sanders	84672900	26.15
3	Root Blowers	84145930	12.06

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

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	%	Demat	Physical	Total	%	
(A)	Promoters									
(1)	Indian									
a)	Individual/HUF	259456	0	259456	7.63	404661	0	404661	11.90	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	0	324000	324000	9.53	0
	SUB-TOTAL A(1)	1038268	324000	1362268	40.07	1183473	324000	1507473	44.34	4.27
(2)	Foreign									
a)	NRIs- Individuals	127012	0	127012	3.74	127012	0	127012	3.74	0
b)	Other -Individuals	–	–	–	–	–	–	–	–	–
c)	Bodies Corp.	–	–	–	–	–	–	–	–	–
d)	Banks/FI	–	–	–	–	–	–	–	–	–
e)	Any other	–	–	–	–	–	–	–	–	–
	SUB-TOTAL (A) (2)	127012	0	127012	3.74	127012	0	127012	3.74	0
	TOTAL SHAREHOLDING OF PROMOTER (A)= (A) (1)+(A)(2)	1165280	324000	1489280	43.80	1310485	324000	1634485	48.08	4.27
B.	PUBLIC SHAREHOLDING									
1.	Institutions									
a)	Mutual funds	–	–	–	–	–	–	–	–	–
b)	Banks/ FI	100	100	200	0.01	100	100	200	0.01	0
c)	Central Govt	–	–	–	–	–	–	–	–	–
d)	State Govt(s)	–	–	–	–	–	–	–	–	–
e)	Venture Capital Funds	–	–	–	–	–	–	–	–	–
f)	Insurance Companies	–	–	–	–	–	–	–	–	–
g)	FIIS	–	–	–	–	–	–	–	–	–
h)	Foreign Venture Capital	–	–	–	–	–	–	–	–	–
i)	Fund Others (specify)	–	–	–	–	–	–	–	–	–
	Sub Total (B) (1)	100	100	200	0.01	100	100	200	0.01	0
2.	Non-Institutions									
a)	Bodies Corporate									
i)	Indian	229012	64000	293012	8.61	190488	4000	194488	5.72	2.89
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 2 lakhs	1057113	363178	1420291	41.77	1539407	0	1539407	45.28	3.51

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	%	Demat	Physical	Total	%	
	ii) Individual shareholders holding share capital in excess of Rs. 2 lakhs	0	0	0	0	0	0	0	0	0
c)	Others (Specify)									
	Clearing Member	4697	0	4697	0.13	6718	0	6718	0.20	0.07
	NRI (REPAT)	13978	1500	15478	0.45	15789	1500	17289	0.51	0.02
	NRI (NON-REPAT)	8918	0	8918	0.26	7413	0	7413	0.22	0.04
	SUB TOTAL (B) (2):	1481842	428678	1910520	56.19	1759815	5500	1765315	51.93	4.26
	TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)	1481942	428678	1910720	56.20	1759915	5600	1765515	51.94	4.26
C.	SHARES held by custodian for GDRs & ADRs									
	GRAND TOTAL (A+B+C)	2647022	752978	3400000	100	3070400	329600	3400000	100	—

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Suvina Engineers Pvt.Ltd.,	778812	22.91	0	778812	22.91	0	0
2	KPT Employees' Welfare Trust	324000	9.53	0	324000	9.53	0	0
3	Sunanda Ashok Kulkarni	162176	4.77	0	162176	4.77	0	0
4	Neema Dilip Kulkarni	127012	3.74	0	127012	3.74	0	0
5	Ashok Arvind Kulkarni	82304	2.42	0	82304	2.42	0	0
6	Ajit Arvind Kulkarni	14976	0.44	0	14976	0.44	0	0
7	Prabha Prakash Kulkarni	0	0	0	72000	2.12	0	2.12
8	Prakash Arvind Kulkarni	0	0	0	73205	2.15	0	2.15
	TOTAL	1489280	43.80	0	1634485	48.08	0	4.27

(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	1489280	43.80	1489280	43.80
2	Datewise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	24.04.15	Gift	144000	4.24
		08.01.16	Buy	1205	0.03
3	At the End of the year	1489280	43.80	1634485	48.07

(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 01.04.2015		Cumulative Shareholding during the year 31.3.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	DILIP SAKHARAM GHATGE IN30047642459968				
	a) At the beginning of the year	72000	2.1176	72000	2.1176
	b) Change during the year	24.4.15	Gift	72000	2.1176
	c) At the end of the year	-	-	NIL	NIL
2	KALPANA DILIP GHATGE IN30267933404419				
	a) At the beginning of the year	72000	2.1176	72000	2.1176
	b) Change during the year	24.4.15	Gift	72000	2.1176
	c) At the end of the year	-	-	NIL	NIL

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.3.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3	MANOJ J BAGADIA IN30133020658029				
	a) At the beginning of the year	Nil	Nil	-	
	b) Change during the year				
		31.8.15	Buy	12685	
		04.9.15	Buy	1851	
		11.9.15	Buy	1848	
		18.9.15	Buy	200	
		25.9.15	Buy	402	
		9.10.15	Buy	2764	
		18.12.15	Buy	2749	
		25.12.15	Buy	1871	
		15.1.16	Buy	1071	
		22.1.16	Buy	2380	
		29.1.16	Buy	1010	
		12.2.16	Buy	501	
		19.2.16	Buy	4336	
		04.3.16	Buy	1683	
		11.3.16	Buy	100	
		25.3.16	Buy	100	
		31.3.16	Buy	125	
	c) At the end of the year	-	-	35676	1.0493
4	SAKSHI CHANDAK IN30218910035796				
	a) At the beginning of the year	24124	0.7094	24124	0.7094
	b) Change during the year	11.12.15	Buy	4700	
	c) At the end of the year	-	-	28824	0.8478
5	SAIFUDDIN FAKHRUDDIN MIYAJIWALA IN30127630218829				
	a) At the beginning of the year	10005	0.2943	10005	0.2943
	b) Change during the year				
		4.12.15	Buy	1500	
		11.12.15	Buy	3174	
		18.12.15	Buy	2321	
		08.1.16	Buy	3000	
	c) At the end of the year	-	-	20000	0.5882
6	BACHH RAJ NAHAR 1206540000000139				
	a) At the beginning of the year	15203	0.4471	15203	0.4471
	b) Change during the year		No Change		
	c) At the end of the year	-	-	15203	0.4471

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.3.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7	GAYATHRI M IN30214810192594 a) At the beginning of the year b) Change during the year c) At the end of the year	Nil 31.7.15 21.8.15 11.9.15 30.10.15 06.11.15 2011.15 25.12.15 05.02.15 -	Nil Buy Buy Buy Buy Buy Buy Buy Buy -	- 7695 500 200 400 500 250 1649 1200 12394	 0.3645
8	VASANT TUKARAM SAWANT IN30112715258205 a) At the beginning of the year b) Change during the year c) At the end of the year	13218 24.4.15 -	0.3888 Sale -	13218 13218 NIL	0.3888 NIL
9	B.R.NAHAR & SONS HUF 1206540000000105 a) At the beginning of the year b) Change during the year c) At the end of the year	12693 -	0.3733 No Change -	12693 12693	0.3733 0.3733
10	VIKAS PAI 1202060000763760 a) At the beginning of the year b) Change during the year c) At the end of the year	12400 25.3.16 -	0.3647 Sale -	12400 12400 NIL	0.3647 NIL
11	SHIVRAJ SINHJI S01140 a) At the beginning of the year b) Change during the year c) At the end of the year	12000 -	0.3529 No Change -	12000 12000	0.3529 0.3529
12	BHARTIBEN KISHORE GHIYA 1301990000377008 a) At the beginning of the year b) Change during the year c) At the end of the year	9571 -	0.2815 No Change -	9571 9571	0.2815 0.2815
13	ASHA RAMESH TOLAT IN30038610059949 a) At the beginning of the year b) Change during the year c) At the end of the year	9400 -	0.2765 No Change -	9400 9400	0.2765 0.2765

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.3.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
14	DHARMESH LAXMINANDAN SHAH IN30047640019582 a) At the beginning of the year b) Change during the year c) At the end of the year	8733 - -	0.2569 No Change -	8733 8733 8733	0.2569 0.2569 0.2569

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particular	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 b) Change during the year c) At the end of the year	2400 No Change -	0.0706 - -	2400 2400 2400	0.0706 0.0706 0.0706
2	PRAKASH ARVIND KULKARNI K00267 a) At the beginning of the year b) Change during the year c) At the end of the year	2160 No Change -	0.0635 - -	2160 2160 2160	0.0635 0.0635 0.0635
3	PRAKASH ARVIND KULKARNI 1601010000101795 a) At the beginning of the year b) Change during the year c) At the end of the year	Nil 24.04.15 08.01.16 -	Nil Gift Buy -	72000 1205 73205	2.1531
4	PRABHA PRAKASH KULKARNI IN30133021413459 a) At the beginning of the year b) Change during the year c) At the end of the year	Nil 24.04.15 -	Nil Gift -	72000 72000	2.1176

V. INDEBTEDNESS –

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

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	348,720,402	80,861,156	Nil	429,581,558
ii) Interest due but not paid	NIL	NIL	Nil	Nil
iii) Interest accrued but not due	643,024	NIL	Nil	643,024
Total (i+ ii+iii)	349,363,426	80,861,156	Nil	430,224,582
Change in Indebtedness during the financial year				
• Addition	80,744,693	70,00,000	Nil	87,744,693
• Reduction	(80,147,561)	(27,501,310)	Nil	(107,648,871)
Net Change	597,132	(20,501,310)	Nil	(19,904,178)
Indebtedness at the end 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
Total (i+ii+iii)	349,960,558	60,359,846	Nil	410,320,404

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Sr. No.	Particulars of Remuneration	Name of Director		Total Amount
		Prakash Kulkarni Vice Chairman & Managing Director	Dilip Kulkarni Executive Director	
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,92,000	1,500,000	4,092,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	21,600	43,200
	(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, PF & Gratuity	435,655	252,115	687,770
	Total (A)	3,049,255	1,773,715	4,822,970
	Ceiling as per the Act	5%	3%	8%

B. Remuneration to other directors: -

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		D.C.Shroff	M.L.Apte	S.S.Shirgaokar	S.C.Kirloskar	
1	Independent Directors					
	• Fee for attending board / committee meetings	60,000	2,00,000	120,000	60,000	440,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	60,000	200,000	120,000	60,000	440,000
2	Other Non-Executive Directors	K.V.Pai	Mrs.P.P. Kulkarni			
	• Fee for attending board / committee meetings	40,000	80,000			120,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	40,000	80,000	-	-	120,000
	Total (B)=(1+2)	100,000	280,000	120,000	60,000	560,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act					1%

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

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

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

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

ANNEXURE-III

Particulars of Contracts or Arrangements with Related Parties Form No. AOC-2

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

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

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

Sr. 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 :

Sr. No.	Particulars	KMP	Relative of KMP	Related Party
(a)	Name(s) of the related party and nature of relationship	Mr.Prakash Kulkarni Mr.Dilip Kulkarni	Smt.Malati Kulkarni Mr.Ajit Kulkarni Mr.Ashok Kulkarni Mrs.Prabha Kulkarni	Trimurti Engineering Tools Pvt.Ltd.,
(b)	Nature of contracts/arrangements/ transactions	Remuneration	Dividend / Sitting Fees	Purchase / Sale of Goods
(c)	Duration of the contracts / arrangements/transactions	—	—	01.04.2015 to 31.03.2016
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	—	—	Total Amount of all Transactions upto Rs.260 lacs
(e)	Date(s) of approval by the Board, if any	—	—	06.02.2015
(f)	Amount paid as advances, if any	—	—	—

For & On behalf of the Board of Directors

Pune
13th August, 2016

Prakash Kulkarni
Managing Director
DIN : 00052342

Dilip Kulkarni
Executive Director
DIN: 00184727

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

KULKARNI POWER TOOLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Kulkarni Power Tools Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 judgments 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016, 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 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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.

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

Nikhil M Shevade
Partner
Membership No.217379

Place: Mumbai
Date : 28th May, 2016

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), (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 Sections 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 a. According to information and explanation given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

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

Name of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Remark
Karnataka Sales Tax	Karnataka Entry Tax	148,825	April 2014 to September 2015	Not paid as on date

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

Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Sales Tax	599,231	2009-10	Sales Tax Tribunal, Mumbai
Karnataka Entry Tax	232,096	2011-12	Jt. Commissioner of Commercial Taxes (Appeals), Bengaluru
Income Tax	2,244,126	2011-12	Commissioner of Income Tax (Appeals), Kolhapur
Central Excise	79,514	2012-13 to 2014-15	Dy. Commissioner of Central Excise & Service Tax, Division(ii) Kolhapur

- 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 Sections 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

Nikhil M Shevade
Partner
Membership No.217379

Place: Mumbai
Date : 28th May, 2016

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 31st March 2016 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.

Auditors' 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.

Disclaimer of Opinion

According to the information and explanation given to us, the Company is in the process of establishing its internal financial control over financial reporting on criteria based on or 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.

Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of 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 : 28th May, 2016

BALANCE SHEET AS AT 31st MARCH, 2016

		In ₹	
Particulars	Note No.	2016	2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	17,000,000	17,000,000
(b) Reserves and Surplus	2	191,418,612	262,989,480
		<u>208,418,612</u>	<u>279,989,480</u>
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	143,889,141	111,884,848
(b) Deferred Tax Liabilities (Net)	4	28,003,291	32,178,845
(c) Other Long Term Liabilities	5	3,003,000	2,833,000
(d) Long Term Provisions	6	13,428,817	11,052,675
		<u>188,324,249</u>	<u>157,949,368</u>
(3) Current Liabilities			
(a) Short Term Borrowings	7	210,911,893	275,273,870
(b) Trade Payables	39	111,478,190	151,619,761
(c) Other Current Liabilities	8	108,063,518	89,290,650
(d) Short Term provisions	9	7,072,689	10,142,053
		<u>437,526,290</u>	<u>526,326,334</u>
		<u>834,269,151</u>	<u>964,265,182</u>
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		318,946,397	340,597,187
(ii) Intangible Assets		1,657,661	2,054,525
(iii) Capital Work-in-process		5,263,216	5,098,808
(b) Non Current Investments	11	1,280,000	1,080,000
(c) Long Term Loans and Advances	12	5,363,049	6,425,653
(d) Other Non Current Assets	13	5,509,684	20,24,000
		<u>338,020,007</u>	<u>357,280,173</u>
(2) Current Assets			
(a) Inventories	14	203,630,041	254,859,594
(b) Trade Receivables	15	232,536,963	281,230,816
(c) Cash and Bank Balances	16	21,835,066	25,112,814
(d) Short Term Loans and Advances	17	35,810,202	44,350,595
(e) Other Current Assets	18	2,436,872	1,431,190
		<u>496,249,144</u>	<u>606,985,009</u>
		<u>834,269,151</u>	<u>964,265,182</u>

Notes forming part of the Accounts and
Significant Accounting Policies

27 to 48

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

As per our report of even date attached

M/s. P.G. Bhagwat

Chartered Accountants

Firm's Registration No: 101118W

Nikhil M. Shevade

Partner

Membership No.217379

For and On behalf of the Board of Directors

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

D.B. Kulkarni
Executive Director
DIN: 00184727

Place : Mumbai

Date : 28th May, 2016

Place : Mumbai

Date : 28th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

In ₹

	Note No.	2016	2015
I. Revenue from Operations			
Sales of Products		705,856,902	914,436,776
Less : Excise Duty		55,368,795	57,272,811
	36 & 37	650,488,107	857,163,965
Other operating revenues		6,000,263	6,405,319
		656,488,370	863,569,284
II. Other Income	19	2,163,144	4,179,612
III. Total Revenue (I+II)		658,651,514	867,748,896
Expenses			
Cost of raw materials and components consumed	20	277,925,436	369,074,765
Purchase of stock-in-trade	21	82,729,674	201,083,113
Changes in inventories of finished goods, work-in-process and stock-in-trade	22	32,251,288	(64,834,942)
Employee benefits expense	23	97,889,712	94,065,002
Finance Costs	24	45,198,517	43,741,763
Depreciation and amortisation expense	25	37,415,962	37,496,015
Other expenses	26	166,388,719	185,517,023
IV. Total Expenses		739,799,308	866,142,739
V. Profit before exceptional, extraordinary items and Tax (III-IV)		(81,147,794)	1,606,156
VI. Exceptional items :			
Subsidy Received		(5,428,982)	—
VII. Profit before extraordinary items and tax (V+/- VI)		(75,718,812)	1,606,156
VIII. Extraordinary Items		—	—
IX. Profit before Tax (PBT) (VII-VIII)		(75,718,812)	1,606,156
X. Tax Expense			
Current Tax		—	429,400
MAT Credit Entitlement		—	(1,608,550)
Deferred Tax		(4,175,554)	(919,852)
Short / (Excess) Provision of Earlier Year		27,610	899,887
XI. Profit for the period [Profit After Tax (PAT)] (IX - X)		(71,570,868)	2,805,271
XII. Earnings Per Equity Share - Basic and Diluted	41	(21.05)	0.83
Notes forming part of the Accounts and Significant Accounting Policies	27 to 48		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

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

Nikhil M. Shevade
Partner
 Membership No.217379

Place : Mumbai
Date : 28th May, 2016

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 : 28th May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH , 2016

	2016	In ₹ 2015
A Cash flow from operating activities		
Net profit before taxation	(75,718,812)	1,606,156
Adjustments for		
Depreciation	37,415,962	37,496,015
(Profit)/Loss on sale of fixed assets	(47,311)	82,435
Unrealised Foreign Exchange (Gain)/Loss	(556,274)	(1,059,911)
Bad Debts Written off (Net of Provision)	—	2,000,000
Interest income	(1,556,524)	(1,130,351)
Dividend income	(54,662)	(33,328)
Interest expenses	44,964,367	43,584,196
Operating profits before working capital changes	4,446,746	82,545,212
(Increase)/decrease in trade receivables	48,901,953	(10,686,014)
(Increase)/decrease in other current and non current assets	9,281,621	3,733,873
(Increase)/decrease in inventories	51,229,553	(68,605,385)
Increase/(decrease) in trade payables	(39,953,569)	26,585,599
Increase/(decrease) in current and non current liabilities	6,629,999	(3,321,754)
Increase/(decrease) in provisions	2,452,752	2,244,746
Cash generated from operations	82,989,055	32,496,278
Income tax paid	(1,714,758)	(239,926)
Net cash from operating activities	81,274,297	32,256,352
B Cash flow from investing activities		
Purchase of fixed assets	(15,534,537)	(20,009,724)
Proceeds from sale of fixed assets	49,133	99,286
Advance for purchase of fixed assets	322,876	1,827,072
Sale/Purchase of investments	(200,000)	(200,000)
Interest received	1,136,602	1,149,089
Dividends received	54,662	33,328
Investment in bank deposits (having original maturity of more than three months)	(2,514,574)	(2,421,277)
Net cash used in investing activities	(16,685,838)	(19,522,226)
C Cash flow from financing activities		
Proceeds from long term borrowings	80,700,000	55,000,000
Repayment of long term borrowings	(29,055,625)	(44,764,108)
(Repayment)/proceed of/from other borrowings (net)	(70,808,787)	25,704,043
Interest paid	(45,543,962)	(43,620,183)
Dividends paid	(1,840,637)	(1,910,745)
Tax on dividend paid	(346,086)	(288,915)
Net cash used in financing activities	(66,895,097)	(9,879,908)
Net increase/(decrease) in cash and cash equivalents	(2,306,638)	2,854,218
Cash and cash equivalents at the beginning of the year	15,935,426	13,081,208
Cash and cash equivalents at the end of the year	13,628,788	15,935,426

As per our report of even date attached

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

For and On behalf of the Board of Directors

Nikhil M. Shevade
Partner
Membership No.217379

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

D.B. Kulkarni
Executive Director
DIN: 00184727

Place : Mumbai
Date : 28th May, 2016

Place : Mumbai
Date : 28th May, 2016

NOTES FORMING PART OF FINANCIAL STATEMENTS

In ₹
2015

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	50,000,000	50,000,000
(Previous year 10,000,000 Equity Shares of ₹ 5 each)		
3,000,000 Preference Shares of ₹ 10 Each	30,000,000	30,000,000
(Previous year 3,000,000 Preference Shares of ₹ 10 each)		
	<u>80,000,000</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>17,000,000</u>	<u>17,000,000</u>

(B) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year

Number of shares outstanding as at the beginning of the year	3,400,000	3,400,000
Issued / Reduction, if any during the period	—	—
Number of shares outstanding as at the end of the year	<u>3,400,000</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 share holders.

For the year 2015-16, the Directors have not recommended dividend. [Previous year dividend 10% (i.e. ₹ 0.50 per Equity Share of ₹ 5/- each)]. The amount of dividend including corporate dividend tax [Previous year ₹ 2,046,086].

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2016	In ₹ 2015
2 RESERVES AND SURPLUS		
(A) Capital Reserves		
Profit on reissue of forfeited shares		
Balance at the beginning and at the end of the year	14,926	14,926
(B) Securities Premium Account		
Balance at the beginning and at the end of the year	31,092,928	31,092,928
(C) Revaluation Reserve		
Balance at the beginning and at the end of the year	32,426,523	32,426,523
(D) Reserve for Contingencies		
Balance as per last financial statement	—	—
Add: Transfer from General Reserve (Refer Note No. 47)	49,000,000	—
	<u>49,000,000</u>	<u>—</u>
(E) General Reserve		
Balance as per last financial statement	159,241,806	160,592,134
Less: Transitional adjustment of depreciation as per Schedule-II (Net of Tax)	—	1,350,328
Less: Transfer to Reserve for Contingencies	49,000,000	—
	<u>110,241,806</u>	<u>159,241,806</u>
(F) Surplus in the statement of Profit and Loss		
Balance as per last financial statement	40,213,297	39,454,112
Profit / (Loss) for the year	(71,570,868)	2,805,271
Less: Appropriations:		
Proposed Dividend on Equity Shares	—	1,700,000
Tax on Proposed Equity Dividend	—	346,086
Net Surplus in the statement of Profit and Loss	<u>(31,357,571)</u>	<u>40,213,297</u>
	<u>191,418,612</u>	<u>262,989,480</u>
3 LONG-TERM BORROWINGS		
A) TERM LOANS FROM BANKS (Secured)		
Term loan from IDBI Bank Ltd., (interest @ base rate + 2.5%, secured by hypothecation of machineries and mortgage of immovable property) (Part of the loan constituting original Rupee term loan repayable in 17 quarterly instalments starting from 31st July 2010 and remaining part constituting conversion of Buyers Credit into Rupee Term Loan repayable in 16 quarterly instalments starting from 30th June 2013).	—	7,305,252
Term loan from Samarth Sahakari Bank Ltd., (interest @ 15%, secured by mortgage of immovable property. Repayable in 84 monthly instalments starting from 31st December 2015).	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 25th October 2013).	8,090,793	12,482,316

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2016	In ₹ 2015
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 25th June 2014).	7,769,894	10,667,465
Term loan from IDBI Bank Ltd., (interest @ base rate + 2.5%, secured by hypothecation of machineries and mortgage of immovable property. Repayable in 60 monthly instalments starting from 1st April 2012).	—	2,860,646
Term loan from Dombivali Nagari Sahakari Bank Limited., (interest @ 13.00%, secured by mortgage of immovable property. Repayable in 48 monthly instalments starting from 20th August 2015).	25,757,499	34,699,372
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 15th May 2016).	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 22nd April, 2016).	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 1st July, 2015).	317,816	—
Total Secured Term Loans	110,157,377	68,015,051
Loans guaranteed by Managing Director (Including Current Maturities).	145,639,669	94,579,190
(B) INTEREST FREE SALES TAX DEFERRED PAYMENT LIABILITY (Unsecured)	33,731,764	43,869,797
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.		
	143,889,141	111,884,848

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

	2016	In ₹ 2015
4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
On depreciation /amortisation of Fixed Assets	35,365,437	37,505,411
Deferred Tax Assets		
On disallowances under Income Tax Act 1961.	7,362,146	5,326,566
	<u>28,003,291</u>	<u>32,178,845</u>
5 OTHER LONG-TERM LIABILITIES		
Deposit from Dealers	3,003,000	2,833,000
	<u>3,003,000</u>	<u>2,833,000</u>
6 LONG-TERM PROVISIONS		
Provision for Gratuity	11,225,962	9,195,788
Provision for Leave Encashment	2,202,855	1,856,887
	<u>13,428,817</u>	<u>11,052,675</u>
7 SHORT-TERM BORROWINGS		
(A) LOANS REPAYABLE ON DEMAND FROM BANKS		
Secured		
Working Capital Loans repayable on demand (secured against hypothecation of stocks and book debts and mortgage of immovable property)	203,711,893	254,019,370
	<u>203,711,893</u>	<u>254,019,370</u>
Out of above loans		
Loans guaranteed by Managing Director	203,711,893	254,019,370
(B) OTHER LOANS		
Unsecured		
Loan from Finance Companies	7,200,000	21,254,500
	<u>7,200,000</u>	<u>21,254,500</u>
Out of above loans		
Loans guaranteed by Managing Director	—	5,454,500
	<u>210,911,893</u>	<u>275,273,870</u>

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

In ₹

2016 2015

8 OTHER CURRENT LIABILITIES

Current maturities of long term debt (Referred to in Note No. 3)	55,455,941	42,422,840
Interest accrued but not due on borrowings	63,429	643,024
Investor Education and Protection Fund (will be credited by following amounts as and when due):		
Unpaid dividends	1,679,665	1,820,302
Sales Tax payable	2,143,753	1,937,432
Other payables *	48,720,730	42,467,052
	<u>108,063,518</u>	<u>89,290,650</u>

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

9 SHORT-TERM PROVISIONS

Provision for Employee Benefits :

Provision for Gratuity	3,126,084	2,743,278
Provision for Leave Encashment	1,996,605	1,852,801
Provision for dividends (Including dividend distribution tax)	–	2,046,086
Provision for Income Tax (Net of Advance Tax)	–	1,019,592
Provision for Wealth Tax	–	80,296
Provision for Warranty	1,950,000	2,400,000
	<u>7,072,689</u>	<u>10,142,053</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

10. TANGIBLE AND INTANGIBLE ASSETS

In ₹

	Tangible Assets							Intangible Assets			
Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Dies, moulds & patterns	Furniture and Fixtures	Vehicles	Total	Technical Know-how	Computer Software	Total
Gross Block											
i) For own use :											
As at 01.04.2014	51,234,488	1,594,055	72,054,829	407,995,071	79,549,813	18,242,010	18,233,048	648,903,314	13,429,182	5,973,122	19,402,304
Additions	-	-	-	8,307,363	4,986,651	697,566	-	13,991,580	-	2,224,029	2,224,029
Other Adjustments	-	-	-	675	-	-	-	675	-	-	-
Disposals / Written off	-	-	-	163,015	-	-	508,990	672,005	-	-	-
As at 31.03.2015	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	-	-	-	2,998,285	-	-	-	2,998,285	-	-	-
As at 31.03.2016 (A)	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
ii) Given on Lease :											
As at 01.04.2014	-	1,361,315	1,000,000	-	-	-	-	2,361,315	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2015	-	1,361,315	1,000,000	-	-	-	-	2,361,315	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2016 (B)	-	1,361,315	1,000,000	-	-	-	-	2,361,315	-	-	-
Total (A+B)	51,474,488	2,955,370	73,084,727	421,194,616	89,676,796	19,276,143	18,675,633	676,337,774	13,429,182	8,816,101	22,245,283

NOTES FORMING PART OF FINANCIAL STATEMENTS

Depreciation / Amortisation

In ₹

	Tangible Assets							Intangible Assets			
Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Dies, moulds & patterns	Furniture and Fixtures	Vehicles	Total	Technical Know-how	Computer Software	Total
i) For own use :											
As at 01.04.2014	-	382,956	19,120,939	200,493,038	50,818,560	8,599,877	5,846,262	285,261,632	13,429,182	5,371,959	18,801,141
Charge for the year	-	50,950	2,821,717	24,925,614	6,042,104	2,402,757	2,428,068	38,671,210	-	770,667	770,667
Depreciation on disposals	-	-	-	159,765	-	-	330,519	490,284	-	-	-
As at 31.03.2015	-	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	-	-	-
As at 31.03.2016 (A)	-	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
ii) Given on Lease :											
As at 01.04.2014	-	175,032	317,254	-	-	-	-	492,286	-	-	-
Charge for the year	-	19,448	33,400	-	-	-	-	52,848	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2015	-	194,480	350,654	-	-	-	-	545,134	-	-	-
Charge for the year	-	19,449	12,565	-	-	-	-	32,014	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2016 (B)	-	213,929	363,219	-	-	-	-	577,148	-	-	-
Total (A+B)	-	698,784	25,156,340	245,507,877	63,074,937	12,536,839	10,416,600	357,391,377	13,429,182	7,158,440	20,587,622
Net Block:											
As at 31.03.2016	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
As at 31.03.2015	51,234,488	2,326,984	50,761,519	190,881,208	27,675,799	7,936,943	9,780,247	340,597,187	-	2,054,525	2,054,525

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

		In ₹
	2016	2015
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
Other Investments (Investment in Co-Operative 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 7,500 shares) of ₹ 50 each of Shree Mahalaxmi Co-Op.Bank Ltd.	575,000	375,000
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
	1,280,000	1,080,000
12 LONG-TERM LOANS AND ADVANCES		
(A) Capital Advances		
Unsecured , considered good	963,499	1,286,375
	963,499	1,286,375
(B) Security Deposits		
Unsecured, considered good	4,399,550	5,139,278
	4,399,550	5,139,278
	5,363,049	6,425,653
13 OTHER NON CURRENT ASSETS		
Margin Money Deposits with Banks	5,509,684	2,024,000
(Refer Note No. 16)	5,509,684	2,024,000
14 INVENTORIES		
Raw Materials	63,184,208	81,442,808
Work-in-Process (Refer Note No.38)	39,370,501	49,271,688
Finished Goods	30,442,814	40,384,261
Stock-in-trade (in respect of goods acquired for trading)	65,281,664	77,859,721
Stores and spares	4,306,797	4,777,162
Loose tools	1,044,057	1,123,954
Mode of valuation Refer Note No. 29(D)	203,630,041	254,859,594

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2016	In ₹ 2015
15 TRADE RECEIVABLES		
(A) Trade receivables outstanding for more than six months from the date they became due for payment:		
Unsecured, considered good	69,803,432	67,341,384
(B) Trade Receivables (others)		
Unsecured, considered good	162,733,531	213,889,432
	232,536,963	281,230,816

16 CASH AND BANK BALANCES

	Non Current		Current	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
(A) Cash and cash equivalents				
Balances with Banks:				
On current accounts	—	—	11,754,073	13,604,227
On unpaid dividend account	—	—	1,711,027	1,851,663
Cash on hand	—	—	163,688	479,536
	—	—	13,628,788	15,935,426
(B) Other Bank Balances				
Margin Money Deposits with Banks	5,509,684	2,024,000	8,206,278	9,177,388
	5,509,684	2,024,000	8,206,278	9,177,388
Amount disclosed under Non Current Asset (Note No. 13)	(5,509,684)	(2,024,000)	—	—
	—	—	21,835,066	25,112,814

17 SHORT-TERM LOANS AND ADVANCES

Advances receivable in cash or kind *

Unsecured, considered good	35,810,202	44,350,595
	35,810,202	44,350,595

* 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:	829,612	409,690
Income Tax (Net of Provision)	587,260	—
Others - Unsecured, considered good:		
Sundry Deposits	1,020,000	1,021,500
	2,436,872	1,431,190

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2016	In ₹ 2015
19 OTHER INCOME		
(A) Interest income on		
Bank and other Deposits	1,556,524	1,130,351
	<u>1,556,524</u>	<u>1,130,351</u>
(B) Dividend income on		
Non Current investments	54,662	33,328
	<u>54,662</u>	<u>33,328</u>
(C) Other		
Profit on sale of Fixed Assets	47,311	11,036
Lease Rent	360,000	360,000
Miscellaneous income	144,647	223,534
Net Gain on Foreign Currency Transactions	—	2,421,363
	<u>551,958</u>	<u>3,015,933</u>
	<u>2,163,144</u>	<u>4,179,612</u>
20 COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	81,442,808	77,958,821
Add: Purchases	259,666,836	372,558,752
	<u>341,109,644</u>	<u>450,517,573</u>
Less: Inventory at the end of the year	63,184,208	81,442,808
Cost of raw material and components consumed (Refer Notes No. 31 & 32)	<u>277,925,436</u>	<u>369,074,765</u>
21 PURCHASES OF STOCK-IN-TRADE		
Power Tools and Accessories	76,372,089	194,334,785
Blower Accessories	6,357,585	6,748,328
(Refer Note No. 37)	<u>82,729,674</u>	<u>201,083,113</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2016	In ₹ 2015
22 (INCREASE)/ DECREASE IN INVENTORIES		
Inventories at the beginning of the year		
Finished Goods	40,384,261	43,168,972
Work in Process	49,271,688	41,155,710
Stock-in-trade	77,859,721	18,095,052
	167,515,670	102,419,734
Less: Inventories at the end of the year		
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
	135,094,979	167,515,670
Excise duty on Stock differential *	(169,403)	260,994
(Increase) / Decrease in inventories	32,251,288	(64,834,942)
* Represents excise duty relating to difference between the opening and closing stock of finished goods. The excise duty shown as deduction from sales in statement of profit and loss represents excise duty on sales during the year.		
23 EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages, bonus	86,871,245	85,453,720
Contribution to PF, and Other Funds	5,094,127	4,286,786
Gratuity expenses	2,718,024	2,823,631
Staff Welfare Expenses	3,206,316	1,500,865
(Refer Note No.43)	97,889,712	94,065,002
24 FINANCE COSTS		
Interest Expense	41,546,100	38,384,594
Other Borrowing Costs	3,652,417	5,357,169
	45,198,517	43,741,763
25 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of tangible assets	36,400,148	36,725,346
Amortisation of intangible assets	1,015,814	770,669
(Refer Note No. 10)	37,415,962	37,496,015

NOTES FORMING PART OF FINANCIAL STATEMENTS

		In ₹
	2016	2015
26 OTHER EXPENSES		
Stores, Spares consumed	14,487,675	17,429,498
Processing Charges	23,468,638	29,138,078
Power and Fuel consumed	10,407,589	11,129,878
Repairs to Plant and Machinery	7,689,511	7,007,492
Repairs to Factory Building	1,219,198	1,043,784
Services to Manufacturing	3,431,493	3,596,412
Rent	7,905,614	6,724,117
Insurance	2,254,103	2,147,851
Rates and Taxes (other than taxes on income)	464,209	1,425,532
Payment to Statutory Auditors:		
- as auditors	225,000	225,000
- for other services (Limited Review and Certification)	63,000	79,500
- reimbursement of expenses (out of pocket expenses)	31,866	51,917
Legal, Professional and Consultancy Charges	9,123,258	6,880,140
Advertisement, Publicity and Sales Promotion	5,234,825	7,050,215
Directors' Sittings Fees	560,000	560,000
Warranty Expense	2,124,609	2,448,022
Travelling & Conveyance	19,338,552	19,562,201
Printing & Stationery	1,927,563	2,482,894
Postage & Telephone	3,767,946	4,742,560
Product Distribution	19,250,072	25,086,931
Packing Material	14,027,338	17,504,340
Bad Debts Written Off (Net of Provisions)	—	2,000,000
Cash Discount	9,813,926	9,941,184
Loss on Sale of Fixed Assets	—	93,471
Net Loss on Foreign Currency Transactions	1,572,086	—
Miscellaneous Expenses	8,000,648	7,166,006
	166,388,719	185,517,023

NOTES FORMING PART OF THE ACCOUNTS

27 General Information about KPT

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

28 Basis of Preparation

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

29 Statement on Significant Accounting Policies

A. Fixed Assets and Intangible Assets

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

B. Depreciation and Amortisation.

1. Depreciation on Tangible Fixed Assets is provided using Straight Line Method as per the Useful Life of assets prescribed in Part C of Schedule II of Companies Act, 2013.
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.

NOTES FORMING PART OF THE ACCOUNTS

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.
- 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-process

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

3 Finished Goods

Finished Goods have been valued at lower of cost and 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.

NOTES FORMING PART OF THE ACCOUNTS

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

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

3. Other long term employee benefits

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

G. Revenue Recognition

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

H. Foreign Currency Transactions

1. All foreign currency transactions are accounted for at the rates prevailing on the date of the transaction.
2. The monetary items are restated at the rate of exchange prevailing on the date of the balance sheet. The difference in exchange arising on settlement of the short term monetary item or on restatement of the same at the year end is adjusted to Profit and Loss Account.
3. The Company has exercised the option allowed by the Ministry of Corporate Affairs vide its notification dated 29th December 2011 on Accounting Standard 11. Accordingly, in respect of accounting periods commencing on or after the 1st April 2011, the exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were reported in previous financial statements, in so far as they relate to the acquisition of depreciable capital asset is added to or deducted from the cost of the asset and depreciated over the balance life of the asset, and in other cases, accumulated in a " Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset or liability, by recognition as income or expense in each of such periods. Accordingly, exchange loss for the year ended 31st March 2016, ₹ 15,037 (Previous Year ₹ 675) has been added to the cost of fixed assets.
4. In respect of amount payable in foreign currency covered by forward contracts, the premium is recognised over the period of contract.

I. Custom Claim Receivable

Custom Claims Receivable under Duty Free Replenishment Certificate, Duty Entitlement Pass Book Licenses, 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.

NOTES FORMING PART OF THE ACCOUNTS

K. Earning Per Share

1 Basic Earning Per Share:

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

2 Diluted earnings per share:

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

L. Taxes on Income

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

M. Provisions and Contingent Liabilities

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

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

Contingent assets are neither recognized, nor disclosed.

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

N. Subsidies Received

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

NOTES FORMING PART OF THE ACCOUNTS

	In ₹	
	2016	2015
30 Contingent Liabilities and Commitments (To The Extent Not Provided For)		
A) Contingent Liabilities		
a) Sales Tax	1,511,431	1,796,230
b) Central Excise	79,514	—
c) Karnataka Entry Tax	464,296	464,296
d) Income Tax	3,384,126	3,384,126
	<u>5,439,367</u>	<u>5,644,652</u>
B) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,709,822	2,967,189
b) Other Commitments :		
i. Please refer Note No.44 for Lease commitments.	10,195,059	11,938,421
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	53,159,846	59,606,656
31 Details of raw material and components consumed		
a) Ferrous castings	33,679,602	41,367,440
b) Steel	24,860,641	33,881,941
c) Copper wire	20,168,327	27,711,439
d) Non Ferrous castings	534,429	684,560
e) Other	198,682,437	265,429,385
	<u>277,925,436</u>	<u>369,074,765</u>
32 A Value of Raw Material consumed and percentage there of to the total consumption (inclusive of components)		
a. Imported		
Value	79,769,189	116,148,038
Percentage to total consumption	29%	31%
b. Indigenous		
Value	198,156,247	252,926,727
Percentage to total consumption	71%	69%
	<u>277,925,436</u>	<u>369,074,765</u>

NOTES FORMING PART OF THE ACCOUNTS

In ₹

2016

2015

32 B Value of Stores and Spares consumed and percentage thereof to the total consumption

a. Imported

Value

—

1,832,570

Percentage to total consumption

0.00%

10.51%

b. Indigenous

Value

14,487,675

15,596,928

Percentage to total consumption

100.00%

89.49%

14,487,675

17,429,498

33 Value of imports calculated on CIF basis

a. Raw Material, Components and Spares

59,901,409

103,645,564

b. Stock in Trade

41,979,994

134,078,110

c. Capital Goods

1,793,891

2,013,295

34 Expenditure in foreign currency

a. Travelling

1,332,857

1,742,255

b. Others

238,613

28,965

1,571,470

1,771,220

35 Earnings in foreign currency

FOB Value of exports

102,016,177

171,123,206

36 Sale of Manufacturing Products (Net of Excise Duty)

Power Tools :

a) Tools

270,721,375

384,685,303

b) Spares

139,543,337

170,831,839

Blower :

a) Blower

105,416,520

111,337,316

b) Spares

19,766,078

21,783,253

Electricity

7,650,984

10,023,821

543,098,294

698,661,532

NOTES FORMING PART OF THE ACCOUNTS

In ₹

37 Purchase and Sale of Stock in Trade

		2016 Purchase	2016 Sale	2015 Purchase	2015 Sale
Power Tools	Power Tools	64,452,402	77,203,783	174,740,049	99,125,217
	Accessories	11,919,687	16,013,749	19,594,736	51,215,791
Blower	Accessories	6,357,585	14,172,281	6,748,328	8,161,425
		<u>82,729,674</u>	<u>107,389,813</u>	<u>201,083,113</u>	<u>158,502,433</u>

		2016	2015
38 Details of Work in Process			
	Power Tools	26,658,097	34,012,936
	Blower	12,712,404	15,258,752
		<u>39,370,501</u>	<u>49,271,688</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	(71,570,868)	2,805,271
b. Weighted average of No. of Shares	3,400,000	3,400,000
c. Basic and Diluted Earnings Per Share of Rs.5/- each	(21.05)	0.83

42 Segment Reporting

I. Primary Segment Information (Business Segment)

Revenue

Sales

a) Portable Power Tools	503,482,244	705,858,150
b) Blowers	139,354,879	141,281,994
c) Windmills	7,650,984	10,023,821
	<u>650,488,107</u>	<u>857,163,965</u>

NOTES FORMING PART OF THE ACCOUNTS

In ₹

	2016	2015
Segment Results (Gross)		
a) Portable Power Tools	(21,421,894)	45,856,588
b) Blowers	13,866,990	20,401,340
c) Windmills	(261,580)	3,198,266
	<u>(7,816,484)</u>	<u>69,456,193</u>
Unallocated Corporate Expenses	30,295,937	25,866,523
Operating Profit	(38,112,421)	43,589,670
Interest Expense	45,198,517	43,741,763
Other Income	2,163,144	1,758,249
Profit / (Loss) before exceptional item	(81,147,794)	1,606,156
Exceptional Item	5,428,982	—
Profit before tax	(75,718,812)	1,606,156
Segment Assets		
Portable Power Tools	567,259,134	704,701,717
Blowers	131,785,200	131,279,596
Windmills	58,657,362	53,236,210
	<u>757,701,696</u>	<u>889,217,523</u>
Add: Unallocated Corporate Assets	75,287,455	73,967,659
	<u>832,989,151</u>	<u>963,185,182</u>
Segment Liabilities		
Portable Power Tools	126,806,874	165,879,852
Blowers	36,215,936	31,496,534
Windmills	—	—
	<u>163,022,810</u>	<u>197,376,386</u>
Add: Unallocated Corporate Liabilities	24,567,463	25,138,913
	<u>187,590,273</u>	<u>222,515,299</u>
Capital Expenditure		
Portable Power Tools	7,012,038	8,973,323
Blowers	1,783,389	3,223,093
Windmills	6,574,703	4,019,868
	<u>15,370,130</u>	<u>16,216,284</u>
Depreciation		
Portable Power Tools	25,658,996	26,104,321
Blowers	4,455,126	4,264,374
Windmills	4,815,275	3,837,860
	<u>34,929,397</u>	<u>34,206,555</u>

NOTES FORMING PART OF THE ACCOUNTS

In ₹

	2016	2015
Non-cash expenses other than depreciation		
Portable Power Tools	—	—
Blowers	177,800	194,700
Windmills	—	—
Total	177,800	194,700

II. Secondary Segment Information (Geographical Segment)

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

Net Sales	India	548,471,930	686,040,759
	Outside India	102,016,177	171,123,206
		650,488,107	857,163,965

Significant Accounting Policies relating to Segment Reporting

- Business Segments are determined on the basis of the goods manufactured and in accordance with Accounting Standard 17.
- 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	4,651,463	3,521,570
Employers' Contribution to Superannuation Fund	442,664	274,176
	5,094,127	3,795,746

II. Defined Benefits Plan

Gratuity:

Gratuity is payable to all eligible employee on retirement, death or termination in terms of provision of the Payment of Gratuity Act.

The Company makes yearly contribution to a Gratuity Trust equal to premium of Group Gratuity Insurance with Life Insurance Corporation of India.

NOTES FORMING PART OF THE ACCOUNTS

In ₹

	2016	2015
i Assumptions		
Mortality as per -2006-08	LIC Ult table	LIC Ult table
Interest / Discount Rate	8.04%	7.99%
Rate of increase in compensation	3.00%	3.00%
Rate of return (expected) on plan assets	8.04%	7.99%
Employee Average Attrition Rate	2.00%	2.00%
ii Changes in present value of obligations		
PVO at beginning of period	17,483,427	14,810,767
Interest cost	1,396,926	1,378,882
Current Service Cost	839,199	853,210
Benefits Paid	(305,045)	(549,754)
Actuarial (gain)/loss on obligation	(738,717)	990,322
PVO at end of period	20,367,477	17,483,427
iii Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	5,544,361	5,096,705
Expected Return on Plan Assets	442,994	443,413
Contributions	—	48,873
Benefit Paid	—	—
Actuarial gain/(loss) on plan assets	28,077	(44,630)
Fair Value of Plan Assets at end of period	6,015,432	5,544,361
iv Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	5,544,361	5,096,705
Actual Return on Plan Assets	471,071	398,783
Contributions	—	48,873
Benefit Paid	—	—
Fair Value of Plan Assets at end of period	6,015,432	5,544,361
v Actuarial Gain/(Loss) Recognized		
Actuarial (Gain)/Loss for the period (Obligation)	952,970	990,322
Actuarial (Gain)/Loss for the period (Plan Assets)	(28,077)	44,630
Total (Gain)/Loss for the period	924,893	1,034,952
Actuarial (Gain)/Loss recognized for the period	924,893	1,034,952
Unrecognized Actuarial Gain/(Loss) at end of period	—	—
vi Amounts to be recognized in the balance sheet and statement of profit & loss account		
PVO at end of period	(20,367,477)	(17,483,427)
Fair Value of Plan Assets at end of period	6,015,432	5,544,361
Funded Status	(14,352,045)	(11,939,066)
Unrecognized Actuarial Gain/(Loss)	—	—
Net Asset/(Liability) recognized in the balance sheet	(14,352,045)	(11,939,066)

NOTES FORMING PART OF THE ACCOUNTS

In ₹

	2016	2015
vii Expense recognized in the statement of P & L A/c		
Current Service Cost	839,199	853,210
Interest cost	1,396,926	1,378,882
Expected Return on Plan Assets	(442,994)	(443,413)
Net Actuarial (Gain)/Loss recognized for the period	924,893	1,034,952
Expense recognized in the statement of P & L A/c	—	—
Employee Benefit Expenses (Note No. 23)	2,718,024	2,823,631
viii Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	11,939,066	9,714,062
Expenses as above	2,718,024	2,823,631
Contribution paid	(305,045)	(549,754)
Employer's Contribution	—	(48,873)
Closing Net Liability	14,352,045	11,939,066
ix Category of Assets		
Insurer Managed Funds	6,015,432	5,544,361

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	4,860,096	5,934,042
Later than one year and not later than five years	5,334,963	6,004,379
	<u>10,195,059</u>	<u>11,938,421</u>
iii. Lease payment recognised in Profit & Loss Account for the year	6,702,401	6,165,487

NOTES FORMING PART OF THE ACCOUNTS

In ₹

2016

2015

b) i. The Company has given Land and Building under operating lease.

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

Period

Not later than one year

360,000

360,000

Later than one year and not later than five years

360,000

720,000

720,000

1,080,000

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

Warranty:

Carrying amount at the beginning of the year

2,400,000

2,650,000

Additional provision made during the year

2,724,609

2,448,022

Amount used during the year

2,574,609

2,698,022

Unused amounts reversed during the year

600,000

—

Carrying amount at the end of the year

1,950,000

2,400,000

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 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

Pranit Nitten Developers LLP

Nature of relationship

Company is Partner

2 Key Managerial Personnel (KMP)

i. Mr. Prakash A.Kulkarni

Managing Director (MD)

ii. Mr. Dilip B. Kulkarni

Executive Director (ED)

NOTES FORMING PART OF THE ACCOUNTS

In ₹

2016

2015

3 Relatives of Key Managerial Personnel

Name of the transacting related party

Nature of relationship

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

4 Enterprise over which above persons have significant influence

- i Trimurti Engineering Tools Pvt Ltd

Disclosure of Related Party Transactions

In ₹

Sr. 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	—	4,822,970	—	—	4,822,970
		(—)	(4,822,970)	(—)	(—)	(4,822,970)
2	Dividend Paid	—	—	49,860	—	49,860
		(—)	(—)	(49,860)	(—)	(49,860)
3	Sitting Fees	—	—	80,000	—	80,000
		(—)	(—)	(80,000)	(—)	(80,000)
4	Purchases of Goods	—	—	—	10,161,750	10,161,750
		(—)	(—)	(—)	(12,210,720)	(12,210,720)
5	Sale of Goods	—	—	—	1,706,832	1,706,832
		(—)	(—)	(—)	(2,060,006)	(2,060,006)
6	Rent Received	—	—	—	360,000	360,000
		(—)	(—)	(—)	(360,000)	(360,000)
7	Outstanding Payables	—	228,080	—	1,876,559	2,104,639
		(—)	(236,080)	(—)	(521,969)	(758,049)
8	Outstanding Receivables	390,000	—	—	—	390,000
		(390,000)	(—)	(—)	(—)	(390,000)

NOTES FORMING PART OF THE ACCOUNTS

- 47 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.
- 48 Previous year's figures have been regrouped wherever necessary.
- 49 Figures in the brackets pertain to previous year.

As per our report of even date attached

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

Nikhil M. Shevade
Partner
Membership No.217379

Place : Mumbai
Date : 28th May, 2016

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 : 28th May, 2016

Polling Paper

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

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

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

BALLOT PAPER

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

*Applicable to investors holding shares in dematerialized forms

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

Sr. No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Consideration and adoption of the Audited Balance Sheet of Company as at 31st March, 2016, 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 Mrs.Prabha Kulkarni, Director (DIN : 0053598), who retires by rotation and, being eligible, seeks re-appointment.			
3.	Appoint a Director in place of Mr.Dilip Kulkarni, Executive Director (DIN : 00184727), who retires by rotation and, being eligible, seeks re-appointment.			
4.	Appoint Auditor and to fix their remuneration.			

Place :

Date :

(Signature of Shareholder)

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