

India's Leading Power Tool Company



SHAKTI[™]

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KULKARNI POWER TOOLS LTD.

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

CHAIRMAN EMERITUS

P. D. GUNE

BOARD OF DIRECTORS

S. N. INAMDAR	Chairman
P. A. KULKARNI	Vice Chairman & Managing Director
M. L. APTE	
D. C. SHROFF	
S. S. SHIRGAOKAR	
S. C. KIRLOSKAR	
D. B. KULKARNI	Executive Director

BANKERS

Bank of Maharashtra, Sangli

IDBI Bank Ltd., Sangli

AUDITORS

M/s. P. G. Bhagwat
Chartered Accountants
Suite No. 101-102, "Orchard"
Dr. Pai Marg, Baner,
Pune - 411 045

Kulkarni Power Tools Ltd.

Shirol - 416 103, Dist. Kolhapur

NOTICE

NOTICE is hereby given that the Thirty-eight Annual General Meeting of the Members of Kulkarni Power Tools Ltd., will be held on Saturday, the 27th day of September, 2014, at 11.00 a.m, at the Registered Office of the Company at Shirol-416 103, Dist.Kolhapur, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit & Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting for a period of three years until the conclusion of the Annual General Meeting for the year ending 31st March, 2017, in accordance with the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, and to fix their remuneration.

SPECIAL BUSINESS :

4. APPOINTMENT OF MRS.PRABHA.P.KULKARNI AS A DIRECTOR IN PLACE OF MR.S.N.INAMDAR

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

“**RESOLVED THAT**, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mrs.Prabha.P.Kulkarni, who has consented to act as a director, if appointed, be and is hereby appointed as a Director of the Company, to fill the vacancy caused by the retirement of Mr.S.N.Inamdar and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mrs.Prabha.P.Kulkarni, as candidate for the office of director of the Company, and she is liable to retire by rotation.”

5. APPOINTMENT OF MR.S.C.KIRLOSKAR AS AN INDEPENDENT DIRECTOR

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

“**RESOLVED THAT**, pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr.S.C. Kirloskar, Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr.S.C.Kirloskar as candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, not liable to retire by rotation.”

6. APPOINTMENT OF MR.D.C.SHROFF AS AN INDEPENDENT DIRECTOR

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

“**RESOLVED THAT**, pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013,

Mr.D.C.Shroff, Director of the Company, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr.D.C.Shroff as candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, not liable to retire by rotation.”

7. APPOINTMENT OF MR.M.L.APTE AS AN INDEPENDENT DIRECTOR

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

“**RESOLVED THAT**, pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr.M.L.Apte, Director of the Company, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr.M.L.Apte as candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, not liable to retire by rotation.”

8. APPOINTMENT OF MR.S.S.SHIRGAOKAR AS AN INDEPENDENT DIRECTOR

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

“**RESOLVED THAT**, pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr.S.S.Shirgaokar, Director of the Company, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr.S.S.Shirgaokar as candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, not liable to retire by rotation.”

9. CHANGE IN THE TERMS OF APPOINTMENT OF MR.P.A.KULKARNI

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

“**RESOLVED THAT**, pursuant to Section 152 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, Mr.P.A.Kulkarni, Managing Director of the Company holds office up to 31st March, 2016, whose office is liable to retire by rotation.”

“**RESOLVED FURTHER THAT** all other terms of his appointment will remain same as per the resolution of members passed in their meeting held on 13th August 2011.”

10. CHANGE IN THE TERMS OF APPOINTMENT OF MR.D.B.KULKARNI

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

“**RESOLVED THAT**, pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr.D.B.Kulkarni, Executive Director of the Company holds office up to 31st March, 2017, whose office is liable to retire by rotation.”

“**RESOLVED FURTHER THAT** all other terms of his appointment will remain same as per the resolution of members passed in their meeting held on 29th September, 2012.”

11. BORROWING POWERS:

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

“**RESOLVED THAT** in accordance with the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors to borrow monies from time to time for the purpose of the business of the Company, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), exceed the aggregate of the paid up Capital of the Company and its free reserves, that is to say reserve not set apart for any specific purposes provided, however, that the total amount up to which monies may be borrowed shall not to exceed ₹1,00,00,00,000 (Rupees One Hundred Crores Only).”

12. MORTGAGE / CHARGE OF ASSETS

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

“**RESOLVED THAT** the approval of the Company be and is hereby accorded under Section 180 (1)(a) of the Companies Act, 2013, for mortgaging and / or charging by the Board of Directors of the Company, all or any of the movable or immovable properties wherever situate, both present and future or the whole or substantially the whole of the undertaking or the undertakings of the Company for the purpose of securing any loan obtained or proposed to be obtained from any financial institution or person(s) together with interest, costs, charges, expenses and any other money payable by the Company not exceeding ₹1,00,00,00,000 (Rupees One Hundred Crores Only).”

By Order of the Board of Directors

Mumbai
21st August, 2014

D.B.Kulkarni
Executive Director

NOTES :

- 1] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2] The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2014 to 27th September, 2014 (both days inclusive).
- 3] Dividend as recommended by the Directors, if approved at the meeting, will be payable to those members whose names appear on the Register of Members on 27th September, 2014.
- 4] The Company has transferred the unclaimed dividends declared upto the financial year 2006 to the Investor Education and Protection Fund of the Central Government. All Members who have either not received or have not encashed dividends for the financial years 2007 to 2013 are requested to write to the Company's Share Department at the aforesaid address for issuance of duplicate dividend warrant(s), mentioning the relevant Folio No.(s) or Client ID No.
- 5] Members / Proxies are requested to bring their copies of the Annual Reports as the practice of distributing copies at the time of meeting has since been discontinued.
- 6] Members intending to require information about accounts to be explained in the Annual General Meeting are requested to inform the Company atleast seven days in advance of the meeting.
- 7] Members are requested to notify immediately any change of their address.

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

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

10] **The instructions for members for voting electronically are as under :**

A. In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID.
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.
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- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Kulkarni Power Tools Limited.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- ▶ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

- ▶ They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- ▶ After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- ▶ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- ▶ They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

- (a) Please follow all steps from Sl. No. (i) to Sl. No. (xvi) above to cast vote.
- (b) The voting period begins on Monday, the 22nd September, 2014 from 9.00 a.m. (IST) and ends on Wednesday, the 24th September, 2014 till 6.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

11] MEMBERS WHO WISH TO VOTE USING BALLOT FORM:

In terms of Clause 35B of the Listing Agreement, members may fill in the Polling Form / Ballot Form as attached to this Report and submit the same in a sealed envelope to the Scrutinizer, Mr. Milind Kasodekar, Practising Company Secretary, Unit: Kulkarni Power Tools Limited, C/o. M/s. Link Intime India Pvt. Ltd., Block No.2, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune-411 001, so as to reach by IST 6.00 p.m. of 23rd September, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

In the event member casts his votes through both the processes i.e. E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the physical ballot form would be ignored.

By Order of the Board of Directors

**Mumbai
21st August, 2014**

**D.B.Kulkarni
Executive Director**

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

ITEM NO. 4

Mr.S.N.Inamdar is Non-Executive Director of the Company. He joined the Board in 1992 as Director. He is Chairman of the Board of Directors from January 2010 to the date of forthcoming Annual General Meeting. He retires by rotation at the ensuing Annual General Meeting and does not seek reappointment owing to his busy schedule and commitments and limitations imposed by the Companies Act, 2013. Mr.S.N.Inamdar retires at the end of ensuing Annual General Meeting.

Mrs.Prabha.P.Kulkarni is a Mechanical Engineer from Shivaji University, having passed her B.E. degree in 1966. She has attended various short courses on Production, Engineering, Job Evaluation, Inventory Control and Store Keeping, Communications, Jig & Fixture designing, Cutting Tools and their design, Incentive System Production Planning & Inventory Control, Plant Layout and Material Handling conducted by National Productivity Council. She has also attended short courses like Value Analysis & Value Engineering, Industrial Relations, T. A. Techniques, Managing Organisational Changes etc., conducted by Indo-American Society and Training in Statistical Quality Control (SQC) and Organizing Quality Circles.

She has also attended various seminars and training courses conducted by Confederation of Indian Industry, The Institute of Indian Foundrymen etc, in the field of Management in general and production techniques like Low Cost Automation etc., in particular.

From 1967, she has been working in different capacities. She is currently a Director of M/s.Trimurti Engineering Tools Pvt.Ltd., Sangli. She was actively involved in formation of this Company as joint venture with Black & Decker Corporation, USA, to manufacture power tools, in India in 1976. She was also involved in setting up manufacturing of Roots Blowers in collaboration with M/s.Howden Wade Ltd., U.K.

She was a National President of The Institute of Indian Foundrymen (IIF), Chairperson of Maharashtra State Committee of Confederation of Indian Industry (CII), Chairperson of Local Managing Committee of Walchand College of Engineering, Vishrambag, Sangli and Member of the Board of Governors of Dattajirao Kadam Technical Institute, Ichalkaranji, District Chairman of International Inner Wheel Club Dist.317 and Director of Maharashtra State Small Scale Development Corporation Ltd. She was selected by American Biographical Institute as Woman of the Year 1999 for significant career achievement and contribution to the Society. In addition, she is involved in various social and industrial activities at Sangli district, on a regular basis. She is recipient of 'FIE' Foundation Award for outstanding contribution in engineering industry.

Mrs.Kulkarni is President of "Sangram" an organization involved in fighting Aids in commercial sex workers and Vice President of Siddhivinayak Cancer Hospital, Miraj. She is also a Member of Women Scientists' Association, Women Engineering Association and Kolhapur Productivity Council.

The Company has received from Mrs.Prabha.P.Kulkarni :

- (i) Consent in writing to act as Director in Form DIR-2, pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014,
- (ii) Intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section 164 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mrs.Prabha.P.Kulkarni, as a Director of the Company, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. She is liable to retire by rotation.

A copy of draft letter for the appointment of Mrs.Prabha.P.Kulkarni, as a Director, setting out the terms and conditions is available for inspection without any fee by member at the registered office of the Company during normal business hours on working days upto the date of Annual General Meeting.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to avail the services of Mrs.Prabha.P.Kulkarni, as a Director.

No director, key managerial personnel or their relatives, except Mrs.Prabha.P.Kulkarni and Mr.P.A.Kulkarni, is interested or concerned in the resolution.

The Board recommends the resolution for the approval of members.

ITEM NO. 5

Mr.S.C.Kirloskar is a Non–Executive (Independent) Director of the Company. He joined the Board on 30th July, 2009. He retires by rotation at the ensuing Annual General Meeting under the provisions of erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, he being eligible and seeking reappointment, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr.S.C.Kirloskar for the office of an Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr.S.C.Kirloskar :

- (i) consent in writing to act as director in Form DIR – 2, pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013,
- (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr.S.C.Kirloskar as an Independent Director of the Company up to 31st March, 2019, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr.S.C.Kirloskar, the Independent Director, proposed to be appointed, fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management. A copy of draft letter for the appointment of Mr.S.C.Kirloskar as an Independent Director setting out the terms and conditions is available for inspection without any fee by member at the registered office of the Company during normal business hours on working days up to the date of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr.S.C.Kirloskar as an Independent Director.

No director, key managerial personnel or their relatives, except Mr.S.C.Kirloskar, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution for the approval of members.

ITEM NO. 6

Mr.D.C.Shroff is a Non-Executive (Independent) Director of the Company. He joined the Board on 30th March, 1995. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, he being eligible, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000 proposing the candidature of Mr. D.C.Shroff for the office of an Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr.D.C.Shroff :

- (i) consent in writing to act as director in Form DIR – 2, pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013,
- (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr.D.C.Shroff as an Independent Director of the Company up to 31st March, 2019, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr.D.C.Shroff, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management. A copy of draft letter for the appointment of Mr.D.C.Shroff as an Independent Director setting out the terms and conditions is available for inspection without any fee by member at the registered office of the Company during normal business hours on working days up to the date of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr.D.C.Shroff as an Independent Director.

No director, key managerial personnel or their relatives, except Mr.D.C.Shroff, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution for the approval of members.

ITEM NO. 7

Mr.M.L.Apte is a Non-Executive (Independent) Director of the Company. He joined the Board on 26th August, 1976. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, he being eligible, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000 proposing the candidature of Mr.M.L.Apte for the office of an Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr.M.L.Apte :

- (i) consent in writing to act as director in Form DIR – 2, pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013,
- (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013,

The resolution seeks the approval of members for the appointment of Mr.M.L.Apte as an Independent Director of the Company up to 31st March, 2019, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr.M.L.Apte, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management. A copy of draft letter for the appointment of Mr.M.L.Apte as an Independent Director, setting out the terms and conditions is available for inspection without any fee by member at the registered office of the Company during normal business hours on working days up to the date of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr.M.L.Apte as an Independent Director.

No director, key managerial personnel or their relatives, except Mr.M.L.Apte, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution for the approval of members.

ITEM NO. 8

Mr.S.S.Shirgaokar is a Non-Executive (Independent) Director of the Company. He joined the Board on 29th September, 2002. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, he being eligible, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000 proposing the candidature of Mr.S.S.Shirgaokar for the office of an Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr.S.S.Shirgaokar :

- (i) consent in writing to act as director in Form DIR – 2, pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013,
- (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013,

The resolution seeks the approval of members for the appointment of Mr.S.S.Shirgaokar as an Independent Director of the Company up to 31st March, 2019, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr.S.S.Shirgaokar, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management. A copy of draft letter for the appointment Mr.S.S.Shirgaokar as an Independent Director setting out the terms and conditions is available for inspection without any fee by member at the registered office of the Company during normal business hours on working days up to the date of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr.S.S.Shirgaokar as an Independent Director.

No director, key managerial personnel or their relatives, except Mr.S.S.Shirgaokar, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution for the approval of members.

ITEM NO. 9

Mr.P.A.Kulkarni is a Managing Director of the Company. He joined the Board on 30th July,1976. His term of appointment states that his office is not liable to retire by rotation.

In terms of Section 152 and any other applicable provisions of the Companies Act, 2013, the Company is required to provide for retirement of not less than two thirds of the total number of directors. The section further provides that office of the independent director is not liable to retire by rotation and independent directors will not be included in total number of directors for the purpose of retirement by rotation. As the Company is having four independent directors and hence office of the remaining two executive directors shall be liable to retire by rotation.

The resolution seeks the approval of members for the alteration of term of office of Managing Director to the extent of applicability of provisions of retirement by rotation. All other terms of his appointment will remain same and his office will be liable to retire by rotation for the remaining term.

No director, key managerial personnel or their relatives, except Mr.P.A.Kulkarni, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution for the approval of members.

ITEM NO. 10

Mr.D.B.Kulkarni is an Executive Director of the Company. He joined the Board on 26th July, 2007. His term of appointment states that his office is not liable to retire by rotation.

In terms of Section 152 and any other applicable provisions of the Companies Act, 2013, the Company is required to provide for retirement of not less than two thirds of the total number of directors. The section further provides that office of the independent director is not liable to retire by rotation and independent directors will

not be included in total number of directors for the purpose of retirement by rotation. As the Company is having four independent directors and hence office of the remaining two executive directors shall be liable to retire by rotation.

The resolution seeks the approval of members for the alteration of term of office of Executive Director to the extent of applicability of provisions of retirement by rotation. All other terms of his appointment will remain same and his office will be liable to retire by rotation for the remaining term.

No director, key managerial personnel or their relatives, except Mr.D.B.Kulkarni, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution for the approval of members.

ITEM NO. 11

Company may borrow upto ₹1,00,00,00,000 (Rupees One Hundred Crores Only), if necessary, from financial institution/s. After this borrowing, it will exceed the limit of Section 180 (1) (c).

Section 180 (1) (c) of the Companies Act, 2013, provides that the Board of Directors of a company shall not without consent of members in the general meeting borrow monies, where the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from Company's bankers in the ordinary course of business) will exceed the aggregate paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose.

The Board of Directors recommend special resolution for the approval of members.

None of the Directors, key managerial personnel of the Company and their relatives are concerned or interested in the resolution.

ITEM NO. 12

Company may borrow upto ₹ 1,00,00,00,000 (Rupees One Hundred Crores Only), if necessary, from financial institution/s. Since this will be secured loan, a security by way of mortgage on the Companies movable and immovable properties is required to be created in favour of financial institution/s.

Section 180(1) (a) of the Companies Act, 2013, provides that the Board of Directors of a company shall not without consent of members in the general meeting sell lease or otherwise dispose of the whole or substantially whole of the undertaking of the Company.

The Board of Directors recommend special resolution for the approval of members.

None of the Directors, key managerial personnel of the Company and their relatives are concerned or interested in the resolution.

By Order of the Board of Directors

**Mumbai
21st August, 2014**

**D.B.Kulkarni
Executive Director**

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 38th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS :

	2014	2013
		In ₹
Turnover	893,095,994	863,059,614
Profit Before Interest, Depreciation & Tax	78,047,811	97,424,128
Less : Interest	38,133,961	39,928,521
Less : Depreciation	38,867,030	38,779,379
Profit Before Tax	1,046,820	18,716,228
Less : Provision for Taxation including Deferred Tax Liability	(1,612,347)	4,780,837
Profit After Tax	2,659,167	13,935,391
Add : Amount brought forward from last year	38,783,860	29,926,299
APPROPRIATIONS :		
Profit available for Appropriation	41,443,027	43,861,690
Proposed Dividend	1,700,000	3,400,000
Tax on Proposed Dividend	288,915	577,830
Transfer to General Reserve	—	1,100,000
Balance carried forward to Balance Sheet	39,454,112	38,783,860

MANAGEMENT REVIEW :

The unprecedented slowdown of the Indian economy and the cash crunch in the market, have been the main reasons for the low performance.

Most of the steps undertaken by the Company to support the needs of the market are completed. It is expected that the Company shall be appropriately benefited, in near future.

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

The FOB value of exports during the year is ₹1,615.75 lacs which was ₹1,314.25 lacs in the previous year.

DIVIDEND :

Your Directors are pleased to recommend a payment of dividend at the rate of 10% for the year ended 31st March, 2014.

FIXED DEPOSITS :

During the year, the Company accepted Fixed Deposits of ₹13,50,000 and repaid the Fixed Deposits of ₹1,38,45,000.

OTHER STATUTORY INFORMATION :

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure "A" forming part of this report.

DIRECTORS :

The Companies Act, 2013 provides for the appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013, provides that independent director shall hold office for a term of five consecutive years on the Board of a Company and shall be eligible for reappointment on passing a special resolution by the shareholders of the Company.

Sub-section (11) states that no independent director shall be eligible for more than two consecutive terms of five years. Sub-section (13) states that the provisions of Sub-section (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

Our non-executive directors were appointed as directors liable to retire by rotation under the provisions of erstwhile Companies Act, 1956, and they are independent directors. The Company is required to appoint independent directors within a period of one year from the date of notification of Sections 149 and 152 i.e. from 1st April, 2014. All of them are seeking appointment as independent directors be considered by shareholders for appointment as independent directors for a period of five years.

As all the non-executive directors will be considered for appointment as independent directors in the ensuing Annual General Meeting and their office will not be liable to retire by rotation; the Company, in order to comply with the provisions of Section 152 of the Companies Act, 2013, is required to alter the terms of executive directors from not liable to retire by rotation to liable to retire by rotation. The directors recommend the proposed resolutions for the consideration by shareholders.

Mr.S.N.Inamdar is liable to retire by rotation at the ensuing Annual General Meeting. He retires by rotation at the end of ensuing Annual General Meeting and does not seek reappointment owing to his busy schedule and commitments and limitations imposed by the Companies Act, 2013.

The Board would like to thank and record its appreciation for his wise counsel, and valuable contribution during his tenure as Director from 1992 and as a Chairman from January 2010 to the date of ensuing Annual General Meeting.

It is proposed to fill up the vacancy created by retirement of Mr.S.N.Inamdar by appointing Mrs.Prabha.P.Kulkarni, as Director by the Board of Directors in its meeting held on 21st August, 2014.

Mrs.Prabha.P.Kulkarni is a Mechanical Engineer from Shivaji University, having passed her B.E. degree in 1966. She has attended various short courses on Production, Engineering, Job Evaluation, Inventory Control and Store Keeping, Communications, Jig & Fixture designing, Cutting Tools and their design, Incentive System Production Planning & Inventory Control, Plant Layout and Material Handling conducted by National Productivity Council. She has also attended short courses like Value Analysis & Value Engineering, Industrial Relations, T. A. Techniques, Managing Organisational Changes etc., conducted by Indo-American Society and Training in Statistical Quality Control (SQC) and Organizing Quality Circles.

She has also attended various seminars and training courses conducted by Confederation of Indian Industry, The Institute of Indian Foundrymen etc, in the field of Management in general and production techniques like Low Cost Automation etc., in particular.

From 1967, she has been working in different capacities. She is currently a Director of M/s.Trimurti Engineering Tools Pvt.Ltd., Sangli. She was actively involved in formation of this Company as joint venture with Black & Decker Corporation, USA, to manufacture power tools, in India in 1976. She was also involved in setting up manufacturing of Roots Blowers in collaboration with M/s.Howden Wade Ltd., U.K.

She was a National President of The Institute of Indian Foundrymen (IIF), Chairperson of Maharashtra State Committee of Confederation of Indian Industry (CII), Chairperson of Local Managing Committee of Walchand

College of Engineering, Vishrambag, Sangli and Member of the Board of Governors of Dattajirao Kadam Technical Institute, Ichalkaranji, District Chairman of International Inner Wheel Club Dist.317 and Director of Maharashtra State Small Scale Development Corporation Ltd. She was selected by American Biographical Institute as Woman of the Year 1999 for significant career achievement and contribution to the Society. In addition, she is involved in various social and industrial activities at Sangli district, on a regular basis. She is recipient of 'FIE' Foundation Award for outstanding contribution in engineering industry.

Mrs.Kulkarni is President of "Sangram" an organization involved in fighting Aids in commercial sex workers and Vice President of Siddhivinayak Cancer Hospital, Miraj. She is also a Member of Women Scientists' Association, Women Engineering Association and Kolhapur Productivity Council.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member alongwith a deposit of Rs.1,00,000, proposing the candidature of Mrs.Prabha Kulkarni, for the office of a Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Board recommends the resolution for the approval of members.

The Board has constituted the Audit Committee consisting of Mr.S.S.Shirgaokar, Chairman, Mr.M.L.Apte, Member and Mr.D.B.Kulkarni, Member.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the information received from the management, confirm that -

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) 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;
- iv) the Directors have prepared the annual accounts on a going concern basis.

AUDITORS:

M/s.P.G.Bhagwat, Chartered Accountants, Pune, Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment. As per the provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 Board recommend reappointment for a period of three years.

ACKNOWLEDGEMENT:

The Directors wish to acknowledge with deep sense of appreciation for continued efforts of Mr.P.A.Kulkarni, Managing Director and Mr.D.B.Kulkarni, Executive Director, in the progress of the Company.

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

Mumbai
21st August, 2014

S.N.Inamdar
Chairman

ANNEXURE `A' TO THE DIRECTORS' REPORT

[Particulars as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014]

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 generate clean power by use of wind power.

B) TECHNOLOGY ABSORPTION - FORM B

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

Company's development efforts are focussed on -

- 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.

2) 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.

3) Future plan of action :

Company plans to continue development activities on the above lines.

4) 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 eleven 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 : ₹1,615.75 Lacs

Outgo	a) Material	₹1,759.12 lacs
	b) Others	₹ 32.79 lacs
	Total	₹1,791.91 lacs

For & On behalf of the Board of Directors

Mumbai
21st August, 2014

S.N. Inamdar
Chairman

FORM
[SEE RULE 3]

CIN : L29130MH1976PLC019147
Nominal Capital : ₹ 8,00,00,000

COMPLIANCE CERTIFICATE

To,
The Members,
Kulkarni Power Tools Limited
Shirol 416 103,
Dist.: Kolhapur

We have examined the registers, records, books and papers of **M/s. Kulkarni Power Tools Limited** as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government within/ beyond the time prescribed under the Act and the rules made thereunder.
3. The Company, being a Public Limited Company, comment is not required.
4. The Board of Directors duly met Four times on 29.05.2013, 01.08.2013, 12.11.2013, and 06.02.2014 in respect of which proper notices of meetings were given and the proceedings were properly recorded and signed.
5. The Company closed its Register of Members from 25.07.2013 to 01.08.2013 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 01.08.2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary general meeting was held during the Financial Year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The duly constituted Transfer Committee of Directors has approved the issue of duplicate share certificates with presence of adequate quorum and other documents received from the holder in proper.

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13. The Company has :
- (i) delivered all the certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) deposited the amount of dividend declared in a separate Bank Account on 2nd August 2013, which is within five days from the date of declaration of such dividend.
 - (iii) paid / posted warrants for dividend to all members within a period of thirty days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company with the said bank i.e. HDFC Bank Limited.
 - (iv) transferred the amounts in unpaid dividend account, matured deposits and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. There was no appointment of Whole Time Director in compliance with the provisions of the Act and approval of Central Government either during the financial year.
16. The Company has not appointed any Sole Selling Agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, National Company Law Tribunal, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares / debentures / other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares / debentures during financial year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 in respect of deposits accepted including the unsecured loans taken amounting to ₹ 13,50,000 raised by the Company during the year and the Company has filed the copy of statement in lieu of advertisement with the Registrar of Companies, Maharashtra, Pune on 2nd August, 2013. The Company has also filed return of deposit with the Registrar of Companies, Maharashtra, Pune.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2014, are within the borrowing limits of the Company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
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28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For MRM ASSOCIATES
COMPANY SECRETARIES

CS M. B. KASODEKAR
PARTNER
C. P. No.: 1681

Place: Pune

Date: 13th May, 2014

Annexure "A"

Statutory Registers

Sr. No.	Name of Register Maintained	Section
1.	Register of Deposits	Rule 7
2.	Register of Charges	136 & 143
3.	Register of Members	150
4.	Index of Members	151
5.	Minutes Books	193
6.	Books of Accounts & Cost Records	209
7.	Register of Contracts	301
8.	Register of Disclosure	301
9.	Register of Directors	303
10.	Register of Directors' Shareholdings	307
11.	Register of Investments or Loans made, Guarantee given or Security provided	372A
12.	Register of renewed and duplicate Share Certificates	Rule 7

Annexure “B”

Forms and Returns as filed by the Company with the Registrar of Companies, Central Government during the financial year ending on 31st March, 2014.

Sr. No	Form No/ Return	Filed under Section	Particulars	Date of Event	Date of Filing	Whether filed within the prescribed time	If delay in filing whether requisite additional fees paid Yes/No
1	Form 62	58A	Return of Fixed Deposit	31.03.13	26.06.13	YES	NA
2	Form 23C	233B(2)	Appointment of Cost Auditor	29.05.13	26.06.13	YES	NA
3	Form 62	58A	Statement in lieu of Advertisement	—	02.08.13	YES	NA
4	Form 66	383A	Secretarial Compliance Certificate for year ending 31.03.13	01.08.13	10.08.13	YES	NA
5	Form 20B	159	Annual Return made up to date of AGM	01.08.13	26.08.13	YES	NA
6	Form 23AC & Form 23ACA	210 220	Balance Sheet & Profit & Loss A/c. for financial year ending on 31.03.13	01.08.13	28.08.13	YES	NA
7	Form 8	125	Creation of Charge	06.09.13	27.09.13	YES	NA
8	Form 17	138	Satisfaction of Charge	20.11.13	27.11.13	YES	NA
9	Form 17	138	Satisfaction of Charge	14.02.14	12.03.14	YES	NA
10	Form 17	138	Satisfaction of Charge	14.02.14	12.03.14	YES	NA
11	Form 17	138	Satisfaction of Charge	14.02.14	12.03.14	YES	NA
12	Form 17	138	Satisfaction of Charge	13.03.14	24.03.14	YES	NA
13	Form 17	138	Satisfaction of Charge	13.03.14	24.03.14	YES	NA
14	Form 17	138	Satisfaction of Charge	13.03.14	24.03.14	YES	NA
15	Form 1	Rule 3 of IEPF Rules 2001	Unpaid dividend for the financial year 2005-2006	20.09.13	20.09.13	YES	NA
16	Form 1	Rule 3 of IEPF Rules 2001	Unclaimed Matured Deposit for financial year 2006-2007	05.03.14	05.03.14	YES	NA

The Company has submitted Form 1 to the Registrar of Companies, Maharashtra, Pune alongwith the Challan for depositing the amount towards the Unpaid Dividends and Unclaimed matured Deposits corresponding to the financial year 2005-06 and 2006-07 as per the Investor Education & Protection Fund (Awareness and Protection of Investors) Rules, 2001 on 20.09.2013, and 05.03.2014, respectively.

For MRM ASSOCIATES
COMPANY SECRETARIES

CS M. B. KASODEKAR
PARTNER

C. P. No.: 1681

Place: Pune
Date: 13th May, 2014

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 March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies, Act 1956 (The Act) read with the General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which the cess is to be paid, no cess is due and payable by the Company.

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

Nikhil M Shevade
Partner
Membership No. 217379

Place : Mumbai
Date : 30th May, 2014

ANNEXURE

Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements 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) The fixed assets, which were disposed off during the year, do not form substantial part of the fixed assets owned by the Company.
- (ii) (a) The inventory was physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) 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 301 of the Companies Act, 1956.
- (b) Accordingly, the provisions of Clause 4(iii)(b),(c) & (d) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (c) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained as per section 301 of the Companies Act, 1956.
- (d) Accordingly, the provisions of Clause 4 (iii) (f) & (g) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there were adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or agreements referred to in Section 301 of the Act, have been entered in the Register required to be maintained under that section; and
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board in respect of the said provisions.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts and records maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we 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.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

According to information and explanation given to us, no undisputed amounts 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.

- (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	229,616	2006-07	Jt. Commissioner of Sales Tax (Appeal), Kolhapur
Sales Tax	867,518	2007-08	Jt. Commissioner of Sales Tax (Appeal), Kolhapur
Central Excise	459,569	2007-08 to 2011-12	Commissioner of Central Excise, (Appeal) Pune
Central Excise	16,735,831	2008-09 to 2010-11	Dy. Commissioner of Central Excise, Kolhapur

- (x) The Company does not have any accumulated losses. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the Company is regular in repayment of dues to a financial institution or bank.

- (xii) According to information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of Clause 4 (xii) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (xiv) According to information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. The shares and other investments of the Company have been held by the Company in its own name.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to information and explanation given to us, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to information and explanation given to us, the Company has not made any preferential allotment of any shares to parties and companies covered under Section 301 of the Companies Act, 1956.
- (xix) According to information and explanation given to us, the Company has no outstanding debentures during the year. Accordingly, the provisions of Clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xx) According to information and explanation given to us, the Company has not made any public issue during the year to raise money. Accordingly, the provisions of Clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xxi) According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Nikhil M Shevade
Partner
Membership No. 217379

Place : Mumbai
Date : 30th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	2014	In ₹ 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	17,000,000	17,000,000
(b) Reserves and Surplus	2	263,580,623	262,910,371
		<u>280,580,623</u>	<u>279,910,371</u>
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	95,409,875	121,912,848
(b) Deferred Tax Liabilities (Net)	4	33,747,079	36,382,855
(c) Other Long-Term Liabilities	5	2,078,000	3,044,216
(d) Long-Term Provisions	6	10,789,173	10,105,901
		<u>142,024,127</u>	<u>171,445,820</u>
(3) Current Liabilities			
(a) Short-Term Borrowings	7	247,774,827	230,503,816
(b) Trade Payables	38	123,167,384	120,559,590
(c) Other Current Liabilities	8	104,275,606	113,936,989
(d) Short-Term Provisions	9	8,622,827	15,672,088
		<u>483,840,644</u>	<u>480,672,483</u>
TOTAL		<u>906,445,394</u>	<u>932,028,674</u>
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		365,510,711	397,525,091
(ii) Intangible Assets		601,163	709,990
(iii) Capital Work-In-Progress		1,305,369	1,318,647
(b) Non-current Investments	11	880,000	710,000
(c) Long -Term Loans and Advances	12	8,135,767	7,057,404
		<u>376,433,010</u>	<u>407,321,132</u>
(2) Current Assets			
(a) Inventories	13	186,254,209	228,192,140
(b) Trade Receivables	14	272,245,502	243,325,693
(c) Cash and Bank Balances	15	21,861,319	22,457,897
(d) Short-Term loans and advances	16	48,110,431	29,831,822
(e) Other Current Assets	17	1,540,923	899,990
		<u>530,012,384</u>	<u>524,707,542</u>
TOTAL		<u>906,445,394</u>	<u>932,028,674</u>

Notes forming part of the Accounts and Significant Accounting Policies 26 to 47

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

Nikhil M. Shevade
Partner

Place : Mumbai
Date : 30th May, 2014

For and On behalf of the Board of Directors

P.A. Kulkarni
Vice Chairman & Managing Director

S.N. Inamdar
Chairman

Place : Mumbai
Date : 30th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

In ₹

	Note No.	2014	2013
I. Revenue from Operations			
Sales of products		972,382,115	948,050,011
Less : Excise Duty		79,286,121	84,990,397
	35 & 36	893,095,994	863,059,614
Other operating revenues		7,195,388	6,296,136
		900,291,382	869,355,750
II. Other Income	18	5,511,845	2,050,660
III. Total Revenue (I+II)		905,803,227	871,406,410
Expenses			
Cost of raw materials and components consumed	19	400,118,561	428,436,343
Purchase of stock-in-trade	20	95,303,178	100,354,283
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	42,273,675	(49,807,954)
Employee benefits expense	22	97,161,621	87,724,818
Finance Costs	23	38,133,961	39,928,521
Depreciation and amortisation expense	24	38,867,030	38,779,379
Other expenses	25	191,010,544	202,569,195
IV. Total Expenses		902,868,570	847,984,585
V. Profit before exceptional, extraordinary items and Tax (III-IV)		2,934,657	23,421,825
VI. Exceptional items			
Net gain/ (loss) on foreign currency transactions and translation.		(1,887,837)	(4,705,597)
VII. Profit before extraordinary items and tax (V +/- VI)		1,046,820	18,716,228
VIII. Extraordinary Items		—	—
IX. Profit before Tax (PBT) (VII-VIII)		1,046,820	18,716,228
X. Tax Expense			
Current Tax (including Wealth Tax)		1,023,429	9,912,683
Deferred Tax		(2,635,776)	(5,131,846)
XI. Profit for the period [Profit After Tax (PAT)] (IX - X)		2,659,167	13,935,391
XII. Earnings per Equity Share - Basic and Diluted	40	0.78	4.10
Notes forming part of the Accounts and Significant Accounting Policies	26 to 47		

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

Nikhil M. Shevade
Partner

Place : Mumbai
Date : 30th May, 2014

For and On behalf of the Board of Directors

P.A. Kulkarni
Vice Chairman & Managing Director

S.N. Inamdar
Chairman

Place : Mumbai
Date : 30th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

In ₹

	2014	2013
A. Cash flow from operating activities		
Net profit before taxation	1,046,820	18,716,228
Adjustments for		
Depreciation	38,867,030	38,779,378
Profit/(Loss) on sale of fixed assets	(102,260)	291,868
Provision for doubtful receivables	1,000,000	12,500,000
Interest income	(985,656)	(1,329,158)
Dividend income	(120,100)	(62,600)
Interest expenses	38,133,961	39,928,521
Operating profits before working capital changes	77,839,795	108,824,237
(Increase) / decrease in trade receivables	(29,919,809)	(17,701,002)
(Increase) / decrease in other current and non current assets	(19,336,154)	10,106,985
(Increase) / decrease in inventories	41,937,931	(43,078,345)
Increase / (decrease) in trade payables	4,838,544	5,780,608
Increase / (decrease) in current and non current liabilities	(8,071,274)	16,014,158
Increase / (decrease) in provisions	2,161,746	992,378
Cash generated from operations	69,450,779	80,939,019
Income tax paid	(7,562,249)	(5,156,365)
Net cash from operating activities	61,888,530	75,782,654
B. Cash flow from investing activities		
Purchase of fixed assets	(7,368,747)	(19,594,751)
Proceeds from sale of fixed assets	740,462	1,298,041
Advance for Purchase of fixed assets	(813,613)	407,736
Reimbursement received towards cost of fixed assets	—	1,463,440
Interest received	1,137,518	1,766,259
Sale/Purchase of investments	(170,000)	—
Dividends received	120,100	62,600
Investment in bank deposits (having original maturity of more than three months)	(736,142)	6,433,321
Net cash from investing activities	(7,090,422)	(8,163,354)
C. Cash flow from financing activities		
Proceeds from long term borrowings	22,500,000	5,715,275
Repayment of long term borrowings	(33,908,833)	(56,226,735)
(Repayment)/proceed of/from other borrowings (net)	155,967	24,802,557
Interest paid	(41,077,698)	(39,626,596)
Dividends paid	(3,222,434)	(2,053,087)
Tax on dividend paid	(577,830)	(344,728)
Net cash used in financing activities	(56,130,828)	(67,733,314)
Net increase in cash and cash equivalents	(1,332,720)	(114,014)
Cash and cash equivalents at the beginning of the year	14,413,928	14,527,942
Cash and cash equivalents at the end of the year	13,081,208	14,413,928

As per our report of even date attached

M/s. P.G. Bhagwat
Chartered Accountants

For and On behalf of the Board of Directors

Nikhil M. Shevade
Partner
P.A. Kulkarni
Vice Chairman & Managing Director
S.N. Inamdar
Chairman
Place : Mumbai
Date : 30th May, 2014
Place : Mumbai
Date : 30th May, 2014

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 SHARE CAPITAL

	2014	In ₹ 2013
(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
Add:		
Number of shares allotted as fully paid up bonus shares during the year	—	—
Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	—	—
Number of shares allotted to employees pursuant to ESOPs/ESPs	—	—
Number of shares allotted for cash pursuant to public issue	—	—
Less:		
Number of shares brought back during the year	—	—
Number of shares outstanding as at the end of the year	3,400,000	3,400,000

(C) Rights of Equity Shareholders

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

For the year 2013-14, the Directors have recommended dividend @ 10% (i.e. ₹ 0.50 per Equity Share of ₹ 5/- each)[Previous year 20% (i.e. ₹ 1.00 per equity share of ₹ 5/- each)]. The amount of dividend including corporate dividend tax works out to ₹ 1,988,915 [Previous year ₹ 3,977,830].

(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	
		2014	2013
1	Suvina Engineering Pvt. Ltd.	778,812	778,812
2	Kulkarni Power Tools Employees Welfare Trust	324,000	324,000

NOTES FORMING PART OF FINANCIAL STATEMENTS
2 RESERVES AND SURPLUS

In ₹

	2014	2013
(A) Capital Reserves		
Profit on reissue of forfeited shares		
Balance at the beginning and at the end of the year	14,926	14,926
(B) Securities Premium Account		
Balance at the beginning and at the end of the year	31,092,928	31,092,928
(C) Revaluation Reserve		
Balance at the beginning and at the end of the year	32,426,523	32,426,523
(D) General Reserve		
Balance as per last financial statement	160,592,134	159,492,134
Add: Transferred from statement of Profit and Loss	—	1,100,000
	160,592,134	160,592,134
(E) Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	38,783,860	29,926,299
Profit for the year	2,659,167	13,935,391
Less: Appropriations:		
Proposed Dividend on equity shares	1,700,000	3,400,000
Tax on proposed equity dividend	288,915	577,830
Transfer to General Reserve	—	1,100,000
Net Surplus in the statement of Profit and Loss	39,454,112	38,783,860
Total Reserves and Surplus	263,580,623	262,910,371

3 LONG-TERM BORROWINGS
(A) TERM LOANS FROM BANKS (Secured)

Term Loan from IDBI Bank Ltd.,(interest @ base rate + 2.5%, secured by hypothecation of machineries and mortgage of immovable property) (Part of the loan constituting original Rupee Term Loan repayable in 17 quarterly instalments starting from 31 st July, 2010 and remaining part constituting conversion of Buyers Credit into Rupee Term Loan repayable in 16 quarterly instalments starting from 30 th June, 2013).	15,015,559	29,109,730
Term Loan from Bank of Maharashtra (interest @ base rate + 2.5%, secured by hypothecation of dies, moulds and machineries and mortgage of immovable property. Repayable in 20 quarterly instalments starting from 31 st March, 2010).	2,709,041	6,560,932
Term Loan from Shree Mahalaxmi Co-Op. Bank Ltd.,(interest @ 12.50%, secured by mortgage of immovable property. Repayable in 60 monthly instalments starting from 25 th March, 2010).	—	3,899,787
Term Loan from Shree Mahalaxmi Co-Op. Bank Ltd.,(interest @ 12.50%, secured by mortgage of immovable property. Repayable in 60 monthly instalments starting from 25 th October, 2013).	17,382,533	—
Term Loan from Samarth Sahakari Bank Ltd.,(interest @ 13.25%, secured by mortgage of immovable property. Repayable in 60 monthly instalments starting from 20 th January, 2010).	—	2,028,249
Buyers Credit from Bank of Maharashtra,(interest @ Libor + 2%, secured by hypothecation of machinery and mortgage of immovable property. Repayable after three years from the date of availment).	—	7,272,450

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2014	In ₹ 2013
Term Loan from IDBI Bank Ltd.,(interest @ base rate + 2.5%, secured by hypothecation of machineries and mortgage of immovable property. Repayable in 60 monthly instalments starting from 1 st April, 2012).	6,621,754	9,446,513
Term Loan from HDFC Bank Ltd., (interest @ 11.25%, secured by Hypothecation of Vehicles acquired out of the loan. Repayable in 36 monthly instalments).	—	51,598
Term Loan from Axis Bank Ltd., (interest @ 11.10%, secured by Hypothecation of Vehicles acquired out of the loan. Repayable in 36 monthly instalments).	121,142	991,864
	41,850,029	59,361,123
(B) TERM LOAN FROM OTHERS (Secured)		
Term Loan from Tata Capital Services Limited (interest @ 12%, secured by hypothecation of vehicles acquired out of the loan. Repayable in 36 monthly instalments).	—	50,069
Total Secured Term Loans	41,850,029	59,411,192
Out of above loans		
Loans guaranteed by Managing Director	41,728,887	58,317,661
(C) PUBLIC DEPOSITS (Unsecured)	400,000	2,895,000
(D) INTEREST FREE SALES TAX DEFERRED PAYMENT LIABILITY (Unsecured)	53,159,846	59,606,656
i) Liability of ₹ 26,107,000 to be repaid after 10 years from the year in which the Sales Tax is collected. The repayment starts from March, 2012 to March, 2019.		
ii) Liability of ₹ 2,940,000 to be repaid in five yearly equal instalments of ₹ 588,000 after 10 years from March 2018.		
iii) Liability of ₹ 35,625,000 to be repaid after 10 years from the year in which Sales Tax is collected. The repayment starts from March 2014 to March, 2023.		
	95,409,875	121,912,848
4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
On depreciation /amortisation of Fixed Assets	43,076,147	45,120,146
Deferred Tax Assets		
On disallowance u/s 43B of Income Tax Act 1961.	4,949,668	4,682,291
On Provision for Doubtful Receivables	4,379,400	4,055,000
Deferred Tax Liabilities (Net)	33,747,079	36,382,855
5 OTHER LONG-TERM LIABILITIES		
Deposit from Dealers	2,078,000	3,044,216
	2,078,000	3,044,216
6 LONG-TERM PROVISIONS		
Provision for Gratuity	8,466,558	8,123,849
Provision for Leave Encashment	2,322,615	1,982,052
	10,789,173	10,105,901

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2014	In ₹ 2013
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)	229,233,927	218,413,416
	<u>229,233,927</u>	<u>218,413,416</u>
Out of above loans :		
Loans guaranteed by Managing Director	229,233,927	218,413,416
(B) OTHER LOANS		
Unsecured :		
Loan from Finance Companies	17,590,900	12,090,400
Public Deposits	950,000	—
	<u>18,540,900</u>	<u>12,090,400</u>
Out of above loans		
Loans guaranteed by Managing Director	9,090,900	4,090,400
Total Short Term Borrowings	<u>247,774,827</u>	<u>230,503,816</u>
Note: There is no continuing default as at the Balance Sheet date, in repayment of any of the above loans and interest thereon.		
8 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Referred to in note 3)	50,853,560	52,987,304
Interest accrued but not due on borrowings	839,011	3,669,908
Investor Education and Protection Fund (will be credited by following amounts as and when due):		
Unpaid dividends	2,031,047	1,853,481
Unpaid matured deposits and interest accrued thereon	—	15,000
Sales Tax payable	3,008,566	3,401,272
Other payables *	47,543,422	52,010,024
	<u>104,275,606</u>	<u>113,936,989</u>
* Includes statutory dues, advances from customers and other expenses payables.		
9 SHORT-TERM PROVISIONS		
Provision for Employee Benefits :		
Provision for Gratuity	1,247,504	566,241
Provision for Leave Encashment	1,117,331	870,120
Provision for dividends (Including dividend distribution tax)	1,988,915	3,977,830
Provision for Income Tax (Net of Advance Tax)	1,523,297	8,042,237
Provision for Wealth Tax	95,780	115,660
Provision for Warranty	2,650,000	2,100,000
	<u>8,622,827</u>	<u>15,672,088</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

10. TANGIBLE AND INTANGIBLE ASSETS

In ₹

Particulars	Tangible Assets							Intangible Assets			
	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Dies, Moulds & Patterns	Furniture and Fixtures	Vehicles	Total	Technical Know-how	Computer Software	Total
Gross Block											
i) For own use :											
As at 01.04.2012	51,234,488	1,594,055	70,546,511	401,993,348	72,712,047	19,406,377	16,191,839	633,678,665	13,429,182	4,956,150	18,385,332
Additions	—	—	977,685	5,974,835	4,813,351	353,307	3,463,079	15,582,257	—	623,746	623,746
Other Adjustments	—	—	—	3,343,226	—	—	—	3,343,226	—	—	—
Disposals / Written off	—	—	—	6,795,134	352,802	2,111,977	673,320	9,933,233	—	—	—
As at 31.03.2013	51,234,488	1,594,055	71,524,196	404,516,275	77,172,596	17,647,707	18,981,598	642,670,915	13,429,182	5,579,896	19,009,078
Additions	—	—	530,633	2,670,571	2,377,217	594,303	—	6,172,724	—	393,226	393,226
Other Adjustments	—	—	—	816,075	—	—	—	816,075	—	—	—
Disposals	—	—	—	7,850	—	—	748,550	756,400	—	—	—
As at 31.03.2014 (A)	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
ii) Given on Lease :											
At 01.04.2012	—	1,361,315	1,000,000	—	—	—	—	2,361,315	—	—	—
Additions	—	—	—	—	—	—	—	—	—	—	—
Disposals	—	—	—	—	—	—	—	—	—	—	—
As at 31.03.2013	—	1,361,315	1,000,000	—	—	—	—	2,361,315	—	—	—
Additions	—	—	—	—	—	—	—	—	—	—	—
Disposals	—	—	—	—	—	—	—	—	—	—	—
As at 31.03.2014 (B)	—	1,361,315	1,000,000	—	—	—	—	2,361,315	—	—	—
Total (A+B)	51,234,488	2,955,370	73,054,829	407,995,071	79,549,813	18,242,010	18,233,048	651,264,629	13,429,182	5,973,122	19,402,304

NOTES FORMING PART OF FINANCIAL STATEMENTS

	In ₹	
	2014	2013
11 NON-CURRENT INVESTMENTS		
1,000 Shares (Previous year 1,000 shares) of ₹ 10 each of Saraswat Co-Op. Bank Ltd.	10,000	10,000
4,500 Shares (Previous year 3,900 shares) of ₹ 50 each of Shree Mahalaxmi Co-Op. Bank Ltd.	225,000	195,000
5,000 Shares (Previous year 5,000 shares) of ₹ 100 each of Samarth Sahakari Bank Ltd.	500,000	500,000
200 Shares (Previous year 200 shares) of ₹ 25 each of Shamrao Vithal Co-Op. Bank Ltd.	5,000	5,000
Investment in Capital Contribution of Pranit Nitten Developers LLP	140,000	—
	880,000	710,000
12 LONG-TERM LOANS AND ADVANCES		
(A) Capital Advances		
Unsecured , considered good	3,113,447	3,039,834
	3,113,447	3,039,834
(B) Security Deposits		
Unsecured, considered good	5,022,320	4,017,570
	5,022,320	4,017,570
	8,135,767	7,057,404
13 INVENTORIES		
Raw Materials	77,958,821	71,379,628
Work-in-Progress (Ref. Note No.37)	41,155,710	43,660,024
Finished Goods	43,168,972	78,266,754
Stock-in-trade (in respect of goods acquired for trading)	18,095,052	28,632,563
Stores and spares	3,547,167	3,012,075
Loose tools	2,328,487	3,241,096
Mode of valuation: Ref. Note No. 28(D)	186,254,209	228,192,140
14 TRADE RECEIVABLES		
(A) Trade receivables outstanding for more than six months from the date they became due for payment:		
(i) Unsecured, considered good	59,872,363	62,818,033
(ii) Doubtful	13,500,000	12,500,000
Less: Provision for Doubtful Receivables	13,500,000	12,500,000
	59,872,363	62,818,033
(B) Trade Receivables (others)		
(i) Unsecured, considered good	212,373,139	180,507,660
(ii) Doubtful	—	—
	212,373,139	180,507,660
	272,245,502	243,325,693

NOTES FORMING PART OF FINANCIAL STATEMENTS

In ₹

15 CASH AND BANK BALANCES

	Non Current		Current	
	2014	2013	2014	2013
(A) Cash and cash equivalents				
Balances with Banks:				
On current accounts	—	—	10,685,348	12,355,324
On unpaid dividend account	—	—	2,067,557	1,899,654
Cash on hand	—	—	328,303	158,950
	—	—	13,081,208	14,413,928
(B) Other Bank Balances	—	—		
Margin Money Deposits with Banks	—	—	8,780,111	8,043,969
	—	—	8,780,111	8,043,969
	—	—	21,861,319	22,457,897

16 SHORT-TERM LOANS AND ADVANCES

Advances receivable in cash or kind Unsecured, considered good*		
	48,110,431	29,831,822
	48,110,431	29,831,822

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

17 OTHER CURRENT ASSETS

Interest accrued on bank deposits	428,428	580,290
Others - Unsecured, considered good :		
Sundry Deposits	1,112,495	319,700
	1,540,923	899,990

18 OTHER INCOME

(A) Interest income on :		
Bank Deposits	985,656	1,329,158
	985,656	1,329,158
(B) Dividend income on :		
Long-term investments	120,100	62,600
	120,100	62,600
(C) Other :		
Profit on sale of Fixed Assets	—	205,188
Lease Rent	360,000	360,000
Miscellaneous income	4,046,089	93,714
	4,406,089	658,902
	5,511,845	2,050,660

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2014	In ₹ 2013
19 COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	71,379,628	80,230,537
Add: Purchases	<u>406,697,754</u>	<u>419,585,434</u>
	478,077,382	499,815,971
Less: Inventory at the end of the year	<u>77,958,821</u>	<u>71,379,628</u>
Cost of raw material and components consumed (Refer Note No. 30 & 31)	<u>400,118,561</u>	<u>428,436,343</u>
20 PURCHASES OF STOCK-IN-TRADE		
Power Tools and Accessories	91,435,006	97,224,646
Blower Accessories	<u>3,868,172</u>	<u>3,129,637</u>
Total (Refer Note No. 36)	<u>95,303,178</u>	<u>100,354,283</u>
21 (INCREASE)/ DECREASE IN INVENTORIES		
Inventories at the beginning of the year		
Finished Goods	78,266,754	48,318,003
Work in Progress	<u>43,660,024</u>	<u>34,319,602</u>
Stock-in-trade	<u>28,632,563</u>	<u>13,364,794</u>
	150,559,341	96,002,399
Less: Inventories at the end of the year		
Finished Goods	43,168,972	78,266,754
Work in Progress	<u>41,155,710</u>	<u>43,660,024</u>
Stock-in-trade	<u>18,095,052</u>	<u>28,632,563</u>
	<u>102,419,734</u>	<u>150,559,341</u>
	<u>24,053,942</u>	<u>23,829,683</u>
Excise duty on Stock differential *	<u>(5,865,932)</u>	4,748,988
(Increase) / Decrease in inventories	<u>42,273,675</u>	<u>(49,807,954)</u>
22 EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages, Bonus	88,679,227	80,203,221
Contribution to PF, and Other Funds	<u>4,845,092</u>	<u>4,535,865</u>
Gratuity Expenses	<u>1,078,181</u>	<u>1,196,375</u>
Staff Welfare Expenses	<u>2,559,121</u>	<u>1,789,357</u>
	<u>97,161,621</u>	<u>87,724,818</u>

* Represents excise duty relating to difference between the opening and closing stock of finished goods. The excise duty shown as deduction from sales in statement of profit and loss represents excise duty on sales during the year.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	2014	In ₹ 2013
23 FINANCE COSTS		
Interest Expense	34,236,697	35,610,233
Other Borrowing costs	3,897,264	4,318,288
	<u>38,133,961</u>	<u>39,928,521</u>
24 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of tangible assets (Refer Note no. 10)	38,364,977	38,251,356
Amortisation of intangible assets (Refer Note no. 10)	502,053	528,023
	<u>38,867,030</u>	<u>38,779,379</u>
25 OTHER EXPENSES		
Stores, spares consumed	19,157,490	20,634,049
Processing Charges	31,537,534	34,003,568
Power and Fuel consumed	11,253,970	12,338,598
Repairs- Plant and Machinery	7,664,726	6,200,283
Repairs- Factory Building	1,463,631	1,503,748
Services to Manufacturing	3,671,615	3,787,054
Rent	4,314,813	3,744,041
Insurance	2,034,374	1,986,892
Rates and Taxes other than taxes on income	1,421,039	357,340
Payment to statutory auditors:		
-as auditors	180,000	160,000
-for certification/limited review	39,000	54,510
-reimbursement of expenses(out of pocket expenses)	30,844	32,192
Legal, professional and consultancy charges	6,630,892	6,559,615
Advertisement, Publicity and Sale Promotion	5,348,037	6,243,476
Director's Fees	140,000	180,000
Warranty Expenses	4,396,751	3,699,013
Travelling & Conveyance	20,898,907	17,648,489
Printing & Stationery	2,372,556	2,157,274
Postage & Telephone	3,617,648	3,374,693
Product Distribution	26,996,123	25,584,130
Packing Material	19,064,485	19,601,589
Provision for Doubtful Receivables	1,000,000	12,500,000
Cash Discount	11,461,654	12,922,250
Loss on Sale of Fixed Assets	102,260	497,056
Fixed Asset Written-off	—	314,155
Miscellaneous Expenses	6,212,195	6,485,180
	<u>191,010,544</u>	<u>202,569,195</u>

NOTES FORMING PART OF ACCOUNTS

26 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.

27 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, 1956. 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.

28 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) 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. Impairment loss, if any, is recognised whenever the recoverable amount of an asset / cash generating unit is less than its carrying amount.

B. Depreciation and Amortisation.

1. Depreciation on Fixed Assets is provided on "Straight Line Method", as per the provisions of Schedule XIV to the Companies Act, 1956.
2. Computer Software is amortised over a period of three years. Technical knowhow is amortised over a period of seven years. Leasehold lands are amortised over the period of lease

C. Investments

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

D. Valuation of Inventories

Inventories are valued at lower of cost and net realisable value. Cost of Raw Material, Stores and Spares is determined on weighted average method. Cost of finished goods and work-in- process comprises of material and conversion costs.

E. Research and Development

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

F. Employee Benefits

1. Defined Contribution Plans

Contribution to defined contribution plans, such as Provident Fund and Superannuation are charged to Profit and Loss Account as incurred.

NOTES FORMING PART OF ACCOUNTS**2. Defined Benefit Plans**

Gratuity is accounted on the basis of actuarial valuation carried out as at Balance Sheet date. Actuarial gain / loss is recognised immediately in the statement of Profit and Loss Account as income or expenses. The method adopted for actuarial valuation is Projected Unit Credit Method.

3. Other long term employee benefits

Leave entitlement is charged to the Profit and Loss Account as incurred on the basis of actuarial valuation carried out as at Balance Sheet date. The method adopted for actuarial valuation is Projected Unit Credit Method.

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 2014, ₹ 8,16,075 has been added to the cost of fixed assets.
4. In respect of amount payable in foreign currency covered by forward contracts, the premium is recognised over the period of contract.

I. Custom Claim Receivable

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

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 ACCOUNTS
K. 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.

L. Product Warranty

Provision for estimated liability on warranty given on sale of the Company's products is made on the basis of past performance of such products.

M. 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.

	2014	In ₹ 2013
29 Contingent Liabilities and Commitments (To The Extent Not Provided For)		
A) Contingent Liabilities		
Sales Tax	2,325,562	233,690
Central Excise	17,405,558	459,569
	19,731,120	693,259
B) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	4,994,062	3,891,248
b) Other Commitments :		
i) Please refer Note No.43 for Lease commitments.	8,859,618	6,273,561
ii) The Company has obtained sales tax payment deferral benefit under Package Scheme of Incentive 1988 and 1993 Scheme. The Company is obliged to comply the conditions specified under the said Scheme. The outstanding balance payable under the said Scheme is -	59,606,656	63,291,699

NOTES FORMING PART OF ACCOUNTS

	2014	In ₹ 2013
30 Details of raw material and components consumed		
a. Ferrous castings	42,228,707	51,525,513
b. Steel	32,457,349	40,026,142
c. Copper wire	40,784,910	42,092,240
d. Non Ferrous castings	830,629	1,232,083
e. Other	283,816,966	293,560,365
	<u>400,118,561</u>	<u>428,436,343</u>
31 Value of Raw Material consumed and percentage there of to the total consumption (inclusive of components)		
a. Imported :		
Value	129,110,053	128,787,344
Percentage to total consumption	32%	30%
b. Indigenous :		
Value	271,008,508	299,648,999
Percentage to total consumption	68%	70%
	<u>400,118,561</u>	<u>428,436,343</u>
32 Value of imports calculated on CIF basis		
a. Raw Material, Components and Spares	208,972,569	205,442,661
b. Capital Goods	758,756	—
33 Expenditure in foreign currency		
a. Travelling	2,763,384	1,584,097
b. Professional Fees	277,968	83,765
c. Others	237,648	143,919
	<u>3,279,000</u>	<u>1,811,781</u>
34 Earnings in foreign currency		
FOB Value of exports	161,575,207	131,425,184
35 Sale of Manufacturing Products (Net of Excise Duty)		
<u>Power Tools</u>		
a. Tools	462,522,038	448,505,108
b. Spares	186,356,184	193,018,633
<u>Blower</u>		
a. Blower	101,990,500	88,980,201
b. Spares	18,034,770	20,240,713
<u>Electricity</u>	9,068,364	12,187,406
	<u>777,971,856</u>	<u>762,932,061</u>

NOTES FORMING PART OF ACCOUNTS

	In ₹			
36 Purchase and Sale of Stock in Trade	2014	2014	2013	2013
<u>Power Tools</u>	Purchase	Sale	Purchase	Sale
Power Tools	40,807,277	57,903,569	39,857,555	33,121,307
Accessories	50,627,729	51,616,400	57,367,091	62,890,982
<u>Blower</u>				
Accessories	3,868,172	5,604,169	3,129,637	4,115,264
	<u>95,303,178</u>	<u>115,124,138</u>	<u>100,354,283</u>	<u>100,127,553</u>

	In ₹	
	2014	2013
37 Details of Work in Progress		
Power Tools	27,401,813	30,469,972
Blower	13,753,897	13,190,052
	<u>41,155,710</u>	<u>43,660,024</u>

38 Based on available information, presently, there are no amounts payable to parties covered under the Micro, Small and Medium Enterprises Development Act,2006.

39 Amount of borrowing costs capitalised during the period — 633,816

40 Earning Per Share

a. Profit after tax as per the Profit & Loss Account	2,659,167	13,935,391
b. Weighted average of No. of Shares	3,400,000	3,400,000
c. Basic and Diluted Earnings Per Share of ₹5/- each	0.78	4.10

41 Segment Reporting

I. Primary Segment Information (Business Segment)

Revenue

Sales

Portable Power Tools	758,398,191	737,536,027
Blowers	125,629,439	113,336,181
Windmills	9,068,364	12,187,406
	<u>893,095,994</u>	<u>863,059,614</u>

NOTES FORMING PART OF ACCOUNTS

	2014	In ₹ 2013
Segment Results (Gross)		
Portable Power Tools	38,054,571	53,225,829
Blowers	13,713,084	21,669,915
Windmills	1,423,026	4,284,509
	53,190,681	<u>79,180,253</u>
Unallocated Corporate Expenses	24,829,296	22,391,154
Operating Profit	28,361,385	56,789,099
Interest Expense	38,133,961	39,928,521
Other Income	12,707,233	6,561,247
Profit / (Loss) before exceptional item	2,934,657	23,421,825
Exceptional Item:		
Net (gain)/loss on foreign currency transactions/transaction	1,887,837	4,705,597
Profit before tax	1,046,820	18,716,228
Segment Assets		
Portable Power Tools	644,200,547	673,431,694
Blowers	130,892,385	119,062,337
Windmills	53,529,800	61,336,937
Total	828,622,732	<u>853,830,968</u>
Add: Unallocated Corporate Assets	77,822,662	78,197,706
	906,445,394	<u>932,028,674</u>
Segment Liabilities		
Portable Power Tools	143,951,639	152,506,238
Blowers	29,646,357	24,099,942
Windmills	—	—
Total	173,597,996	<u>176,606,180</u>
Add: Unallocated Corporate Liabilities	418,519,696	435,151,438
	592,117,692	<u>611,757,618</u>
Capital Expenditure		
Portable Power Tools	4,867,005	16,614,547
Blowers	2,515,020	4,398,116
Windmills	—	—
Total	7,382,025	<u>21,012,663</u>

NOTES FORMING PART OF ACCOUNTS

	2014	In ₹ 2013
Depreciation		
Portable Power Tools	27,724,989	27,261,383
Blowers	3,985,591	3,406,058
Windmills	5,254,453	5,254,452
Total	<u>36,965,033</u>	<u>35,921,893</u>
Non-cash expenses other than depreciation		
Portable Power Tools	1,000,000	12,814,155
Blowers	—	—
Windmills	—	—
Total	<u>1,000,000</u>	<u>12,814,155</u>

II. Secondary Segment Information (Geographical Segment)

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

Net Sales

India	731,520,787	731,634,430
Outside India	161,575,207	131,425,184
Total	<u>893,095,994</u>	<u>863,059,614</u>

Significant Accounting Policies relating to Segment Reporting

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

42 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	4,041,763	3,777,694
Employers' Contribution to Superannuation Fund	803,329	758,171
Total	<u>4,845,092</u>	<u>4,535,865</u>

NOTES FORMING PART OF ACCOUNTS

	2014	In ₹ 2013
II. Defined Benefits Plan		
Gratuity:		
Gratuity is payable to all eligible employee on retirement, death or termination in terms of provision of the Payment of Gratuity Act.		
The company makes yearly contribution to a Gratuity Trust equal to premium of Group Gratuity Insurance with Life Insurance Corporation of India.		
i Assumption		
Mortality as per -1994-96	LIC Ult table	LIC Ult table
Interest / Discount Rate	9.31%	8.25%
Rate of increase in compensation	3.00%	3.00%
Rate of return (expected) on plan assets	8.70%	8.70%
Employee Average Attrition Rate	2.00%	2.00%
ii Changes in present value of obligations		
PVO at beginning of period	13,372,992	12,064,922
Interest Cost	1,103,272	1,055,681
Current Service Cost	807,046	733,633
Benefits Paid	(50,301)	(172,389)
Actuarial (gain)/loss on obligation	(422,242)	(308,855)
PVO at end of period	14,810,767	13,372,992
iii Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	4,682,902	4,397,399
Expected Return on Plan Assets	407,412	378,176
Contributions	3,908	57,713
Benefit Paid	—	(172,389)
Actuarial gain/(loss) on plan assets	2,483	22,003
Fair Value of Plan Assets at end of period	5,096,705	4,682,902
iv Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	4,682,902	4,397,399
Actual Return on Plan Assets	409,895	400,179
Contributions	3,908	57,713
Benefit Paid	—	(172,389)
Fair Value of Plan Assets at end of period	5,096,705	4,682,902

NOTES FORMING PART OF ACCOUNTS

	2014	In ₹ 2013
v Actuarial Gain/(Loss) Recognized		
Actuarial (Gain)/Loss for the period (Obligation)	(422,242)	(308,855)
Actuarial (Gain)/Loss for the period (Plan Assets)	(2,483)	(22,003)
Total (Gain)/Loss for the period	(424,725)	(330,858)
Actuarial (Gain)/Loss recognized for the period	(424,725)	(330,858)
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	14,810,767	13,372,992
Fair Value of Plan Assets at end of period	5,096,705	4,682,902
Funded Status	(9,714,062)	(8,690,090)
Unrecognized Actuarial Gain/(Loss)	—	—
Net Asset/(Liability) recognized in the Balance Sheet	(9,714,062)	(8,690,090)
vii Expense recognized in the statement of P & L A/C		
Current Service Cost	807,046	733,633
Interest Cost	1,103,272	1,055,681
Expected Return on Plan Assets	(407,412)	(378,176)
Net Actuarial (Gain)/Loss recognized for the period	(424,725)	(330,858)
Expense recognized in the statement of P & L A/C		
Employee Benefit Expenses (Note No. 22)	1,078,181	1,080,280
viii Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	8,690,090	7,667,523
Expenses as above	1,078,181	1,080,280
Contribution paid	(50,301)	(57,713)
Employer's Contribution	(3,908)	—
Closing Net Liability	9,714,062	8,690,090
ix Category of Assets		
Insurer Managed Funds	5,096,705	4,682,902

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

NOTES FORMING PART OF ACCOUNTS

	2014	In ₹ 2013
43 Leased Assets:		
Disclosure as per Accounting Standard-19 on Leases as per Companies Accounting Standard Rules.		
a) i) The Company has taken certain premises on operating lease. The Agreements entered into provide for renewal and rent escalation clause.		
ii) Particular of future minimum lease payments in respect of the same are as mentioned below.		
Period		
Not later than one year	3,872,338	2,887,736
Later than one year and not later than five years	4,987,280	3,385,825
Later than five years	—	—
	8,859,618	6,273,561
iii) Lease payment recognised in Profit & Loss Account for the year	3,957,609	3,744,041
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
Later than five years		
Total	360,000	720,000
44 Details of provisions and movements in each class of provisions - Disclosure as per Accounting Standard 29 'Provisions,Contingent Liabilites and Contingent Assets'.		
Carrying amount at the beginning of the year :		
Warranty	2,100,000	1,900,000
Additional provision made during the year :		
Warranty	5,246,751	3,699,013
Amount used during the year :		
Warranty	4,696,751	3,499,013
Unused amounts reversed during the year :		
Warranty	—	—
Carrying amount at the end of the year :		
Warranty	2,650,000	2,100,000

NOTES FORMING PART OF ACCOUNTS

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.

45 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. <u>Key Management Personnel (KMP)</u>	<u>Designation</u>
i. Shir Prakash A.Kulkarni	Managing Director (MD)
ii. Shri Dilip B. Kulkarni	Executive Director (ED)
2. <u>Relatives of Key Management Personnel</u>	
<u>Name of the transacting related party</u>	<u>Nature of relationship</u>
i. Late Smt. Malati A.Kulkarni	Mother of MD
ii. Shri Ajit A. Kulkarni	Brother of MD
iii. Shri Ashok A. Kulkarni	Brother of MD

Disclosure of Related Party Transactions

In ₹

Sr. No.	Nature of Transaction	Key Management Personnel (KMP)	Relatives of KMP	Total
1	Remuneration paid	4,796,740	—	4,796,740
		(4,958,040)	(—)	(4,958,040)
2	Dividend Paid	—	99,720	99,720
		(—)	(62,325)	(62,325)
3	Outstanding Balances as on 31-03-2014 :			
	Payables	226,780	—	226,780
		(144,551)	(—)	(144,551)

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

47 Figures in the brackets pertain to previous year.

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FORM NO. SH – 13
Nomination Form

[Pursuant to Section 72 of the Companies Act,2013 and Rule 19(1) of the Companies
(Share Capital and Debentures) Rule 2014]

To,

Name of the Company : Kulkarni Power Tools Ltd.

Address of the Company : Shirol-416 103, Dist.Kolhapur

I / We the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my / our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of Securities	Folio No.	No.of Securities	Certificate No./(s)	Distinctive Nos.	
				From	To

2. PARTICULARS OF NOMINEE / S :

- a. Name :
- b. Date of Birth :
- c. Father's / Mother's / Spouse's Name :
- d. Occupation
- e. Nationality
- f. Address
- g. E-mail id
- h. Relationship with the security holder :

3. IN CASE NOMINEE IS A MINOR :

- a. Date of Birth
- b. Date of attaining majority :
- c. Name of guardian :
- d. Address of guardian :

Name :

Address :

Name of the Security Holder(s) Signature

Witness with name and address 1)

2)

Polling Paper

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

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

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

BALLOT PAPER

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

*Applicable to investors holding shares in dematerialized forms

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

Sr. No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Consideration and adoption of the Audited Balance Sheet of Company as at 31 st March, 2014, Statement of Profit and Loss Account and Cash flow Statement for the year ended on that date together with the report of the Directors and the Auditors, thereon			
2.	Declaration of Dividend on Equity Shares for the year ended on 31 st March, 2014			
3.	Appointment of Statutory Auditors of the Company and to fix their remuneration.			
4.	Appointment of Mrs.Prabha.P. Kulkarni, as a Director of the Company in place of Mr.S.N.Inamdar who retires at the end of ensuing Annual General Meeting and does not seek reappointment.			
5.	Appointment of Mr.S.C.Kirloskar as an Independent Director.			
6.	Appointment of Mr.D.C.Shroff as an Independent Director.			
7.	Appointment of Mr.M.L.Apte as an Independent Director.			
8.	Appointment of Mr.S.S.Shirgaokar as an Independent Director.			
9.	Change in the terms of appointment of Mr.P.A.Kulkarni			
10.	Change in the terms of appointment of Mr.D.B.Kulkarni			
11.	Borrower Powers			
12.	Mortgage / Charge of Assets			

Place :

Date :

(Signature of Shareholder)



KULKARNI POWER TOOLS LTD.

CIN : L29130MH1976PLC019147

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

ATTENDANCE SLIP

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Slip at the venue of the meeting.

DP ID* _____

Client ID* _____

Folio No. _____

No. of Shares held _____

Name and Address of the Shareholders: _____

I hereby record my presence at the Thirty-eight Annual General Meeting of the Members of Kulkarni Power Tools Ltd., to be held on Saturday, the 27th day of September, 2014, at 11.00 a.m, at the Registered Office of the Company at Shirol-416 103, Dist.Kolhapur.

* Applicable to Shareholders holding shares in electronic form.

Signature of Shareholder _____



KULKARNI POWER TOOLS LTD.

CIN : L29130MH1976PLC019147

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

PROXY FORM

Form No. MGT-11

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

Name of the Member(s): _____

Registered Address: _____

E-mail ID: _____

Folio No. / Client ID & DP ID: _____

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

1. Name: _____

Address: _____

E-mail Id: _____

Signature: _____ or failing him

2. Name: _____

Address: _____

E-mail Id: _____

Signature: _____ or failing him

3. Name: _____

Address: _____

E-mail Id: _____

Signature: _____

----- ✂ ----- ✂ -----

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty-eight Annual General Meeting of the Members of Kulkarni Power Tools Ltd., to be held on Saturday, the 27th day of September, 2014, at 11.00 a.m, at the Registered Office of the Company at Shirol-416 103, Dist.Kolhapur and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particular of Resolution(s)	For	Against
1.	Consideration and adoption of the Audited Balance Sheet of Company as at 31 st March, 2014, Statement of Profit and Loss Account and Cash flow Statement for the year ended on that date together with the report of the Directors and the Auditors, thereon		
2.	Declaration of Dividend on Equity Shares for the year ended on 31 st March, 2014		
3.	Appointment of Statutory Auditors of the Company and to fix their remuneration.		
4.	Appointment of Mrs.Prabha Kulkarni, as a Director of the Company in place of Mr.S.N.Inamdar who retires at the end of ensuing Annual General Meeting and does not seek reappointment.		
5.	Appointment of Mr.S.C.Kirloskar as an Independent Director.		
6.	Appointment of Mr.D.C.Shroff as an Independent Director.		
7.	Appointment of Mr.M.L.Apte as an Independent Director.		
8.	Appointment of Mr.S.S.Shirgaokar as an Independent Director.		
9.	Change in the terms of appointment of Mr.P.A.Kulkarni		
10.	Change in the terms of appointment of Mr.D.B.Kulkarni		
11.	Borrower Powers		
12.	Mortgage / Charge of Assets		

Signed this _____ day of _____, 2014.

Signature of Shareholder: _____

Affix
Revenue
Stamp

Note:

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



SHAKTI™

●●●●●●●●●● *Many more!*



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

Tel : 02322 661500, Fax : 02322 661546,
E mail : kpt.ho@kpt.co.in Web : www.kpt.co.in
Toll free : 1800-209-2300

Orient Press Ltd.

