



KULKARNI POWER TOOLS LTD.

India's Leading
Power Tool Company



A Range of New Products
and Many More ...

33rd ANNUAL REPORT 2008-09



KULKARNI POWER TOOLS LTD.

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

CHAIRMAN EMERITUS

P. D. GUNE *(from 01-04-2009)*

BOARD OF DIRECTORS

P. D. GUNE	<i>Chairman (upto 01-04-2009)</i>
P. A. KULKARNI	<i>Vice Chairman & Managing Director</i>
M. L. APTE	
S. N. INAMDAR	
D. C. SHROFF	
S. S. SHIRGAOKAR	
S. C. KIRLOSKAR	<i>(from 30-07-2009)</i>
A. A. KULKARNI	<i>(upto 24-06-2009)</i>
D. B. KULKARNI	<i>Whole-time Director</i>

BANKERS

Bank of Maharashtra, Sangli

IDBI Bank Ltd., Sangli

LEGAL ADVISORS

M/s. Manilal Kher Ambalal & Co.
Advocates, Solicitors & Notary
51, Mahatma Gandhi Road,
Mumbai - 400 023

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-third Annual General Meeting of the Members of Kulkarni Power Tools Ltd., will be held on Wednesday, the 30th day of September, 2009, at 4.30 p.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, 2009 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 a Director in place of Mr. M.L.Apte, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S.S.Shirgaokar, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold the office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr.Sanjay Kirloskar who was co-opted as an Additional Director on the Board on 30th July, 2009, under the provisions of Section 260 of the Companies Act, 1956 and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has, under Section 257 of the Companies Act, 1956, received a notice from a member signifying his intention to propose the candidature of Mr.Sanjay Kirloskar for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board of Directors

Mumbai
30th July, 2009

P. A. Kulkarni
Vice Chairman & Managing 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] Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
- 3] The Register of Members and the Share Transfer Books of the Company will remain closed from 25-09-2009 to 30-09-2009 (both days inclusive).
- 4] 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 30-09-2009.
- 5] The Company has transferred the unclaimed dividends declared upto the financial year 2001 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 2002 to 2008 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.
- 6] 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.
- 7] 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.
- 8] Members are requested to notify immediately any change of their address.
- 9] The Securities and Exchange Board of India has directed compulsory trading of Company's scrip in dematerialised 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.
- 10] 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 Link Intime India Pvt.Ltd., at the following address:

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
- 11] Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in enclosed Form 2B to the Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd., Unit : Kulkarni Power Tools Ltd., at Pune.

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173(A) AND 192(A) OF THE COMPANIES ACT, 1956.

ITEM-6

During the period, Mr.Sanjay Kirloskar, was appointed as an Additional Director of the Company in the Board Meeting dated 30th July, 2009. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500/- in cash under Section 257 signifying his intention to propose the candidature of Mr.Sanjay Kirloskar for the post of Director of the Company.

Mr.Sanjay Kirloskar is Chairman & Managing Director of Kirloskar Brothers Ltd., Pune, Chairman of Kirloskar Pneumatic Co. Ltd., Pune and Vice Chairman of Kirloskar Oil Engines Ltd., Pune. Mr.Kirloskar is a Mechanical Engineer from Illinois Institute of Technology, U.S. He has been associated with the Kirloskar Group of companies for several years in different capacities. It is proposed that Mr.Sanjay Kirloskar be appointed as Director of the Company. His induction to the Board would strengthen the Board.

The Board of Directors commend his appointment.

None of the Directors except the appointee himself is concerned or interested in this resolution.

By Order of the Board of Directors

**Mumbai
30th July, 2009**

**P.A.Kulkarni
Vice Chairman & Managing Director**

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 33rd Annual Report, together with the Audited Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS :

	2009	2008
	Rs.	Rs.
Turnover	614,467,405	579,709,293
Profit Before Interest, Depreciation & Tax	97,359,828	100,980,677
Less : Interest	29,580,628	29,132,412
Less : Depreciation	30,235,758	26,313,305
Profit Before Tax	37,543,442	45,534,960
Less : Provision for Taxation including Deferred Tax Liability	10,329,023	11,610,000
Profit After Tax	27,214,419	33,924,960
Add : Amount brought forward from last year	15,841,103	9,882,888

APPROPRIATIONS :

Profit available for Appropriation	43,055,522	43,807,848
Proposed Dividend	3,400,000	5,100,000
Tax on Proposed Dividend	577,830	866,745
Transfer to General Reserve	22,500,000	22,000,000
Balance carried forward to Balance Sheet	16,577,692	15,841,103

MANAGEMENT REVIEW / MANUFACTURING FACILITIES :

As you are already aware, world economy went into recession led by U.S.A., our economy has suffered relatively less. Nevertheless, from Diwali 2008 until May, 2009 the market was dull. With the new Congress lead UPA Government assuming control of Government, there is an agreement that growth will resume in a six to twelve months.

We see this slowdown reflected in our results, although we sold 15% more number of power tools.

We have made a decision to take over Marketing and Selling ourselves, mainly to have direct pulse of the market in our hands. We believe, it is in the Company's long term interest. This may result in some disturbance initially and may impact our profitability in the short term.

We have made investments in winding shop to increase motor production.

During the year under review, industrial relations continued to be harmonious.

EXPORTS :

Your Company is making strong efforts in the export market. The FOB value of exports during the year is Rs. 996.23 lacs which was Rs.966.58 lacs in the previous year, showing a growth of over 3.07%.

DIVIDEND :

Your Directors are pleased to recommend a payment of dividend at the rate of 20% for the year ended 31st March, 2009.

FIXED DEPOSITS :

During the year, the Company accepted Fixed Deposits of Rs.31,62,000 and repaid the Fixed Deposits of Rs.25,90,000. Whereas, 29 deposit holders aggregating fixed deposits of Rs.31,03,000 were due for repayment but remained unclaimed, out of which deposit of Rs.25,00,000 claimed and paid subsequently.

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. Particulars of Employees u/s.217 (2A) are not given, as no employee is covered during the period under review.

DIRECTORS :

Mr.M.L.Apte and Mr.S.S.Shirgaokar, Directors retire by rotation on the date of the Annual General Meeting and being eligible, they offer themselves for re-appointment.

Mr.P.D.Gune and Mr.Ashok Kulkarni have resigned during the period under review. The Board places on record its deep appreciation for their invaluable contribution to the growth of the Company.

Mr. Sanjay Kirloskar has been appointed as an Additional Director on 30th July, 2009. He holds office of an Additional Director, pursuant to the provisions of Section 260 of the Companies Act, 1956, upto the conclusion of the ensuing Annual General Meeting. The requisite notice, together with necessary deposit has been received from a member, pursuant to Section 257 of the Companies Act, 1956, proposing Mr.Sanjay Kirloskar as a director of the Company.

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.

ACKNOWLEDGEMENT :

The Directors wish to acknowledge with deep sense of appreciation for continued efforts of Mr.Prakash Kulkarni, Managing Director, Mr.Ashok Kulkarni, Jt.Managing Director and Mr.Dilip Kulkarni, Whole-time 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. 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

Place : Mumbai
Date : 30th July, 2009

P.A. Kulkarni
Vice Chairman &
Managing Director

D.B.Kulkarni
Whole-time Director

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, 2009]

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 in excess of its requirement.

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.

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,
- Maintaining market leadership.

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 six 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 Rs. 996.23 Lacs

Outgo Rs. 912.32 Lacs

For & On behalf of the Board of Directors

Place : Mumbai
Date : 30th July, 2009

P. A. Kulkarni
Vice Chairman &
Managing Director

D. B. Kulkarni
Whole-time Director

FORM
[SEE RULE 3]

CIN : L2913OMH1976PLCO19147

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

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions 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 **Five** times on 30.04.2008, 30.07.2008, 20.09.2008, 24.10.2008 and 28.01.2009 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 15.09.2008 to 20.09.2008 (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 31.03.2008 was held on 20.09.2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No 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 contract 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. Duly constituted committee of Directors has approved the issue of duplicate share certificate.

13. The Company has:

- (i) delivered all the certificates on lodgement 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 23rd September 2008 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. IDBI Bank Limited and The Federal Bank Limited.
- (iv) transferred the amounts in Unpaid Dividend Account and Matured Debentures 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. The Company has not appointed any Managing Director / Whole Time Director / Manager 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 obtained any approval of the Central Government, Company Law Board, 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. The Company wherever necessary, has kept in abeyance rights to dividends in compliance with the provisions of the Act.

23. The Company has complied with the provisions of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975, in respect of deposits accepted including the unsecured loans taken amounting to Rs. 37,62,000/- 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 17.10.2008. 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 2009 are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1) (d) of the Act have been passed in the duly convened Annual General Meeting held on 20.09.2008.

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.
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 altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny and complied with the provisions of the Act.
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

M. B. KASODEKAR
PARTNER

Place : Pune
Date : 20th May, 2009

C. P. No.: 1681
FCS: 2756

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 ended on 31st March, 2009.

Sr. No.	Form No./ Return	Filed under Section	Particulars	Date of event	Date of filing	Whether filed in prescribed time	If delay in filing whether requisite additional fee paid Yes/ No
1.	Form 21	141	Submission of CLB Order for condoning delay in filing of form 8 for charge	23/04/08	01/05/08	Yes	NA
2.	Form 5	95	Subdivision of Shares	13/09/07	26/05/08	No	Yes
3.	Form 62	Rule 10	Return of Deposit for 07 - 08	31/03/08	27/06/08	Yes	NA
4.	Form 8	125	Modification of Charge	13/07/07	05/07/08	No	Yes
5.	Form 61	141	Submission of copy of Petition to ROC	NA	11/08/08	NA	NA
6.	Form 8	125	Creation of Charge	26/06/08	13/08/08	No	Yes
7.	Form 23 AC, 23ACA	220	Balance sheet as at 31/03/08	20/09/08	25/09/08	Yes	NA
8.	Form 66	383A	Secretarial Compliance Certificate for the Financial Year 2007 – 08	20/09/08	25/09/08	Yes	NA
9.	Form 20B	169	Annual Return upto the date of AGM 20/09/08	20/09/08	26/09/08	Yes	NA
10.	Form 8	125	Creation of Charge	06/09/08	29/09/08	Yes	NA
11.	Form 23	192	Filing of Ordinary Resolution u/s 293 (1) (a) and (d)	20/09/08	07/10/08	Yes	NA
12.	Form 62	58A	Submission of Statement in Lieu of Advertisement	20/09/08	7/10/08	Yes	NA

Sr. No.	Form No./ Return	Filed under Section	Particulars	Date of event	Date of filing	Whether filed in prescribed time	If delay in filing whether requisite additional fee paid Yes/ No
13.	Form 21	141	Submission of CLB Order for condoning delay in filing of Form 8 for Charge	29/09/08	13/10/08	Yes	NA
14.	Form 1	IEPF	Unpaid Dividend for year ended 31.03.01	22/10/08	22/10/08	Yes	NA
			Acknowledgment ROC		23/10/08		
15.	Form 17	138	Satisfaction of Charge	7/10/08	31/10/08	Yes	NA
16.	Form 8	125	Modification of Charge	10/12/08	01/01/09	Yes	NA
17.	Form 17	138	Satisfaction of Charges	05/01/09	30/01/09	Yes	NA
18.	Form 17	138	Satisfaction of Charges	07/02/09	23/02/09	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 corresponding to the financial year 2000 -2001, as per the Investor Education & Protection Fund (Awareness and Protection of Investors) Rules, 2001 on 23.10.2008

For MRM ASSOCIATES
COMPANY SECRETARIES

M. B. KASODEKAR
PARTNER

Place : Pune
Date : 20th May, 2009

C. P. No.: 1681
FCS: 2756

AUDITORS' REPORT

TO THE MEMBERS OF KULKARNI POWER TOOLS LIMITED

1. We have audited the attached Balance Sheet of **Kulkarni Power Tools Limited** as at 31st March, 2009 and the Profit and Loss account and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 [as amended by Companies (Auditor's Report) (Amendment) Order, 2004] issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (ii) in our opinion proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books;
 - (iii) the Balance Sheet, and the Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - (iv) in our opinion, the Balance Sheet, and Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of the written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, 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 31st March, 2009;
 - (b) in the case of the Profit and Loss account of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Mumbai
Date : 26th May, 2009

For M/s P. G. BHAGWAT
Chartered Accountants

NIKHIL M. SHEVADE
Partner
Membership No. 217379

ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in paragraph 3 of our report 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 *other than furniture and fixtures and dies and moulds* 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 during the year 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) According to the information and explanations given to us, there are no transactions that need to be entered in the register required to be maintained under Section 301 of the Act. Accordingly, clause 4(v) (a) and (b) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.

- (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 Section 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 account relating to materials, labour and other items of cost 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, in respect of its windmill division and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

- (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 (Rs.)	Forum where dispute is pending
Sales Tax	57,282	Appellate Authority, New Delhi

- (x) In our opinion, 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 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.

Mumbai
26th May, 2009

For M/s P. G. BHAGWAT
Chartered Accountants
NIKHIL M. SHEVADE
Partner
Membership No. 217379

BALANCE SHEET AS AT 31ST MARCH, 2009

			In Rs.
	Schedule	2009	2008
SOURCES OF FUNDS :			
Shareholders' Funds			
Share Capital	1	17,000,000	17,000,000
Reserves and Surplus	2	172,604,203	149,367,614
		<u>189,604,203</u>	<u>166,367,614</u>
Loan Funds			
Secured Loans	3	219,825,819	268,551,295
Unsecured Loans	4	76,449,194	78,510,225
		<u>296,275,013</u>	<u>347,061,520</u>
Deferred Tax-net	5	41,066,774	43,428,774
	Total	<u>526,945,990</u>	<u>556,857,908</u>
APPLICATION OF FUNDS :			
Fixed Assets	6		
Gross Block		505,730,796	486,905,454
Less: Depreciation		<u>195,751,763</u>	<u>173,969,248</u>
Net Block		309,979,033	312,936,206
Capital work-in-progress		<u>14,429,520</u>	<u>13,639,798</u>
		<u>324,408,553</u>	<u>326,576,004</u>
Investments	7	665,000	665,000
Current Assets, Loans & Advances			
Interest accrued on investments		1,072,392	880,734
Inventories	8	89,584,743	110,175,838
Sundry Debtors	9	142,957,105	167,342,778
Cash and Bank Balances	10	27,052,039	13,730,941
Loans and Advances	11	47,188,523	53,987,196
		<u>307,854,802</u>	<u>346,117,487</u>
Less: Current Liabilities & Provisions			
Current Liabilities	12	95,766,821	114,089,311
Provisions	13	13,699,057	9,378,289
		<u>109,465,878</u>	<u>123,467,600</u>
Net Current Assets		<u>198,388,924</u>	<u>222,649,887</u>
Miscellaneous Expenditure	14	3,483,513	6,967,017
(to the extent not written off or adjusted)			
	Total	<u>526,945,990</u>	<u>556,857,908</u>
Notes to Accounts	22		

The schedule referred to above and the notes to accounts form an integral part of the Balance Sheet

As per our report of even date attached

For M/s P.G. Bhagwat
Chartered Accountants

Nikhil M. Shevade
Partner
Membership No. 217379

Mumbai
26th May, 2009

For and on behalf of the Board of Directors

P.A. Kulkarni
Vice Chairman & Managing Director

D.B. Kulkarni
Whole-time Director

Mumbai
26th May, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

			In Rs.
	Schedule	2009	2008
INCOME			
Sales	15	614,467,405	579,709,293
Other Income	16	7,399,374	7,984,648
	Total	621,866,779	587,693,941
EXPENDITURE			
Materials consumed	17	425,679,707	386,649,685
Payments and benefits to employees	18	35,965,853	33,396,107
Operating and other expenses	19	69,574,326	63,183,967
Finance charges	20	29,580,628	29,132,412
Depreciation/amortization		30,235,758	26,313,305
	Total	591,036,272	538,675,476
Profit/(Loss) before tax and exceptional items		30,830,507	49,018,465
Exceptional items :			
Voluntary Retirement Scheme compensation amortised		3,483,505	3,483,505
Profit on sale of land		10,196,440	—
Profit/(Loss) before tax		37,543,442	45,534,960
Provision for tax	21	10,329,023	11,610,000
Net Profit/(Loss) after tax		27,214,419	33,924,960
Balance brought forward from previous year		15,841,103	9,882,888
Profit available for Appropriation		43,055,522	43,807,848
Appropriations :			
Proposed dividend		3,400,000	5,100,000
Tax on dividend		577,830	866,745
Transfer to General Reserve		22,500,000	22,000,000
Surplus carried to Balance Sheet		16,577,692	15,841,103
	Total	43,055,522	43,807,848
Earning per Equity Share of Rs. 5 each (Refer Note No. 19 of Notes Forming Part of Accounts)		8.00	9.98
Notes to Accounts	22		

The schedule referred to above and the notes to accounts form an integral part of the Profit & Loss Account.

As per our report of even date attached

For M/s P.G. Bhagwat
Chartered Accountants

Nikhil M. Shevade
Partner
Membership No. 217379

Mumbai
26th May, 2009

For and on behalf of the Board of Directors

P.A. Kulkarni
Vice Chairman & Managing Director

D.B. Kulkarni
Whole-time Director

Mumbai
26th May, 2009

CASH FLOW STATEMENT AS AT 31ST MARCH, 2009

	2009	In Rs. 2008
A Cash Flow from Operating Activities		
Net Profit before Taxation and Extraordinary Items	30,830,508	49,018,465
Adjustment For :		
Depreciation	30,235,758	26,313,305
Loss/Profit on Sale of Fixed Assets	540,912	(567,309)
Profit on sale of investment	(100,000)	—
Interest income	(1,738,312)	(611,534)
Dividend income	(75,250)	(68,801)
Interest expenses	29,580,628	29,132,412
Operating Profit before Working Capital Changes	89,274,244	103,216,538
Increase/decrease in trade and other receivables	35,643,552	(46,800,180)
Increase/decrease in Inventories	20,591,095	(1,929,473)
Increase/decrease in Sundry Creditors	(16,843,581)	4,261,452
Cash Generated from Operations	128,665,310	58,748,337
Income tax paid	(5,032,156)	(10,769,822)
Net Cash from Operating Activities	123,633,154	47,978,515
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(37,105,221)	(69,169,487)
Proceeds from sale of Fixed Assets	18,692,442	684,179
Advance for Purchase of fixed assets	(6,318,760)	(9,418,313)
Sale/Purchase of investments	100,000	—
Interest received	1,546,654	77,725
Dividends received	75,250	68,801
Net cash from Investing Activities	(23,009,635)	(77,757,095)
C Cash Flow from Financing Activities		
Proceeds from long term borrowings	5,976,621	42,000,000
Repayment of long term borrowings	(35,501,932)	(26,203,201)
Repayment/proceed of / from other borrowings (net)	(21,965,802)	47,778,040
Interest paid	(30,011,524)	(28,698,520)
Dividends paid	(4,933,039)	(4,977,161)
Tax on dividend paid	(866,745)	(866,745)
Net Cash used in Financing Activities	(87,302,421)	29,032,413
Net increase in cash and cash equivalents	13,321,098	(746,167)
Cash and cash equivalents at the beginning of the year	13,730,941	14,477,108
Cash and cash equivalents at the end of the year	27,052,039	13,730,941

Notes :

1. Cash Flow Statement has been prepared under indirect method set out in Accounting Standard - 3.
2. Purchase of fixed assets includes movement in Capital Work in Progress.
3. Direct tax paid are treated as arising from Operating Activities and are not bifurcated between Investing and Financing activities.
4. Cash and Cash Equivalents are Cash and Bank Balances as per Schedule 10 in the Balance Sheet.
5. Previous year's figures have been regrouped to conform with the current year's presentation.

As per our report of even date attached

For M/s P.G. Bhagwat
Chartered Accountants

Nikhil M. Shevade
Partner
Membership No. 217379
Mumbai
26th May, 2009

For and on behalf of the Board of Directors

P.A. Kulkarni
Vice Chairman & Managing Director

D.B. Kulkarni
Whole-time Director

Mumbai
26th May, 2009

SCHEDULE TO THE ACCOUNTS

	2009	In Rs. 2008
Schedule 1 - Share Capital		
Authorized		
10,000,000 (Previous year : 10,000,000) Equity Shares of Rs. 5 each	50,000,000	50,000,000
3,000,000 (Previous year: 3,000,000) Preference Shares of Rs. 10 each	30,000,000	30,000,000
	<u>80,000,000</u>	<u>80,000,000</u>
Issued, Subscribed and Paid-up		
3,400,000 (Previous year 3,400,000) Equity Shares of Rs. 5 each	<u>17,000,000</u>	<u>17,000,000</u>
Schedule 2 - Reserves & Surplus		
Capital Reserve		
Profit on reissue of forfeited shares	14,926	14,926
Capital subsidy	2,280,000	2,280,000
	<u>2,294,926</u>	<u>2,294,926</u>
Share Premium Account	<u>31,092,928</u>	<u>31,092,928</u>
Revaluation Reserve		
Balance as per last account	34,848,225	34,848,225
Less : Transfer to General Reserve	2,421,702	—
	<u>32,426,523</u>	<u>34,848,225</u>
General Reserve		
Balance as per last account	65,290,432	45,503,956
Add : Transfer from Profit and Loss Account	22,500,000	22,000,000
Add : Transfer from Revaluation Reserve	2,421,702	—
Add : Transfer from Contingency Reserve	—	18,323
Less : Transitional Liability of Gratuity and Leave Encashment (net of deferred tax)	—	2,231,847
	<u>90,212,134</u>	<u>65,290,432</u>
Contingency Reserve		
Balance as per last account	—	18,323
Less : Transfer to General Reserve	—	18,323
	<u>—</u>	<u>—</u>
Profit and Loss Account	<u>16,577,692</u>	<u>15,841,103</u>
	<u>172,604,203</u>	<u>149,367,614</u>

SCHEDULE TO THE ACCOUNTS

	2009	In Rs. 2008
Schedule 3 - Secured Loans		
Loans and advances from Banks		
Cash / Export Credit facilities	124,624,552	144,529,324
(Secured by hypothecation of stocks and book debts and mortgage of immovable property)		
Term Loans	13,997,332	23,225,803
(Secured by hypothecation of machinery purchased)		
Term Loans	433,180	897,863
(Secured by hypothecation of vehicles)		
Term Loans	6,380,980	13,177,480
(Secured by mortgage of immovable property)		
Term Loans	40,228,511	42,722,048
(Secured by first charge on machinery purchased and second charge on gross block of the Company)		
Term Loans	33,949,853	42,365,579
(Secured by hypothecation of machinery purchased and mortgage of immovable property constructed and second charge on gross block of the Company)		
Loans and advances from others	211,411	1,633,198
(Secured by hypothecation of machinery purchased)		
	<u>219,825,819</u>	<u>268,551,295</u>
Out of above loans		
Loans guaranteed by Managing Director and Jt.Managing Director	217,076,192	260,694,124
Loans guaranteed by Jt.Managing Director	<u>2,316,447</u>	<u>6,959,308</u>
Schedule 4 - Unsecured Loans		
Fixed deposits	3,662,000	4,184,000
(Deposits from directors Rs. 650,000 [Previous year Rs. 50,000])		
Interest free sales tax loan	71,787,194	69,826,225
Short-term loans and advances :		
From Others	1,000,000	4,500,000
	<u>76,449,194</u>	<u>78,510,225</u>
Schedule 5 - Deferred Tax-Net		
Deferred Tax Liabilities		
On depreciation/amortization of Fixed Assets	<u>43,301,214</u>	<u>45,422,774</u>
Deferred Tax Assets		
Unpaid Statutory Liabilities	<u>2,234,440</u>	<u>1,994,000</u>
Deferred Tax - Net	<u>41,066,774</u>	<u>43,428,774</u>

In Rs.

SCHEDULE TO THE ACCOUNTS**Schedule 6 - Fixed Assets**

	Gross Block				Depreciation				Net Block	
	As on 01.04.2008	Additions 2008-09	Deduc- tions 2008-09	As on 31.03.2009	As on 01.04.2008	For the Year 2008-09	Deduc- tions 2008-09	As on 31.03.2009	As on 31.03.2009	As on 31.03.2008
A: Tangible										
Freehold Land	41,497,258	—	4,008,776	37,488,482	—	—	—	—	37,488,482	41,497,258
Leasehold Land	2,955,370	—	—	2,955,370	135,606	70,397	—	206,003	2,749,367	2,819,764
Buildings	53,676,086	6,510,263	—	60,186,349	7,953,804	1,818,370	—	9,772,174	50,414,175	45,722,282
Plant & Machinery	265,333,042	15,257,925	12,001,567	268,589,400	88,001,271	16,923,570	7,343,059	97,581,782	171,007,618	177,331,771
Dies, Moulds & Patterns	89,625,965	9,892,921	—	99,518,886	61,767,199	7,240,161	—	69,007,360	30,511,526	27,858,766
Furniture & Fixtures	9,585,363	4,145,400	—	13,730,763	5,191,217	729,578	—	5,920,795	7,809,968	4,394,146
Vehicles	7,829,365	508,990	1,479,814	6,858,541	3,142,862	638,598	1,110,184	2,671,276	4,187,265	4,686,503
B: Intangible										
Technical Know-how	13,429,182	—	—	13,429,182	6,929,185	1,857,143	—	8,786,328	4,642,854	6,499,997
Computer Software	2,973,823	—	—	2,973,823	848,104	957,941	—	1,806,045	1,167,778	2,125,719
	486,905,454	36,315,499	17,490,157	505,730,796	173,969,248	30,235,758	8,453,243	195,751,763	309,979,033	312,936,206
Previous Year	433,374,130	56,194,550	2,663,226	486,905,454	150,202,299	26,313,305	2,546,356	173,969,248	312,936,206	283,171,831

Note: Freehold land was revalued during the financial year 2003-04 and the surplus of Rs. 34,848,225 was credited to Revaluation Reserve.

SCHEDULE TO THE ACCOUNTS

	2009	In Rs. 2008
Schedule 7 - Investments		
Long Term Investments (At cost)		
Trade		
Unquoted		
21,525 Equity Shares of Rs.100 each of Kulkarni Engineering Associates Ltd.	—	2,152,500
Less: Provision for diminution in the value of shares	—	2,152,500
	—	—
275,000 Preference Shares of Rs.100 each of Kulkarni Engineering Associates Ltd.	—	27,500,000
Less: Provision for diminution in the value of shares	—	27,500,000
	—	—
1,000 Shares of Rs.10 each of Saraswat Co-op. Bank Ltd.	10,000	10,000
3,000 Shares of Rs.50 each of Shri Mahalaxmi Co-op. Bank Ltd.	150,000	150,000
5,000 Shares of Rs.100 each of Samarth Sahakari Bank Ltd.	500,000	500,000
200 Shares of Rs.25 each of Shamrao Vithal Co-op. Bank Ltd.	5,000	5,000
	<u>665,000</u>	<u>665,000</u>
Schedule 8 - Inventories		
Raw materials and Components	42,357,965	50,515,797
Stores and Spares	5,501,882	5,005,429
Work-in-Progress	29,232,273	28,884,825
Finished Goods	9,723,830	24,757,215
Traded Goods	2,768,793	1,012,572
	<u>89,584,743</u>	<u>110,175,838</u>

SCHEDULE TO THE ACCOUNTS

	2009	In Rs. 2008
Schedule 9 - Sundry Debtors		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	1,704,421	2,072,239
Considered doubtful	—	—
Other debts		
Unsecured, considered good	141,252,684	165,270,539
	<u>142,957,105</u>	<u>167,342,778</u>
Schedule 10 - Cash and Bank Balances		
Cash on hand	240,278	273,264
Balances with scheduled banks :		
On current accounts	4,686,285	3,898,493
On deposit accounts	22,098,451	9,534,938
Balance with non schedule banks on current account with :		
Shri Mahalaxmi Co-operative Bank Ltd.	27,025	24,246
[Maximum balance during the year Rs.44,630 (Rs.24,246)]		
	<u>27,052,039</u>	<u>13,730,941</u>
Schedule 11 - Loans And Advances		
Unsecured considered good :		
Advances recoverable in cash or kind or for value to be received	46,953,751	50,510,727
Balances with customs, excise, etc.	234,772	1,616,915
Advance income tax net of provision	—	1,859,554
	<u>47,188,523</u>	<u>53,987,196</u>

SCHEDULE TO THE ACCOUNTS

	2009	In Rs. 2008
Schedule 12 - Current Liabilities		
Acceptances	7,094,886	4,491,060
Sundry Creditors :		
Other than Micro, Small & Medium Enterprises	76,550,893	93,336,116
Investor Education Protection Fund shall be credited by the following amounts namely :		
(a) Unpaid dividend	840,987	674,026
(b) Unpaid Matured Deposits	3,103,000	1,409,000
(c) Interest accrued on (b)	27,432	104,076
Other liabilities	7,854,731	12,721,284
Interest accrued but not due on loans	294,892	1,353,749
	<u>95,766,821</u>	<u>114,089,311</u>
Schedule 13 - Provisions		
Provision for taxation (net of advance payments)	5,510,398	—
Proposed dividend	3,400,000	5,100,000
Provision for warranty claims	200,000	125,000
Provision for leave encashment	1,920,224	1,733,706
Provision for gratuity	2,668,435	2,419,583
	<u>13,699,057</u>	<u>9,378,289</u>
Schedule 14 - Miscellaneous Expenditure (to the extent not written off or adjusted)		
Voluntary Retirement Scheme compensation	3,483,513	6,967,017
	<u>3,483,513</u>	<u>6,967,017</u>
Schedule 15 - Sales		
Sales (Gross)	673,166,236	648,132,847
Less: Excise duty recovered	58,698,831	68,423,554
	<u>614,467,405</u>	<u>579,709,293</u>

SCHEDULE TO THE ACCOUNTS

	2009	In Rs. 2008
Schedule 16 - Other Income		
Interest [Tax deducted at source Rs. 203,835 (Previous year Rs. 23,922)]	1,738,312	611,534
Dividend Income :		
Investment - Long term	75,250	68,801
Profit on sale of Fixed Assets	283,906	567,309
Lease Rent	511,000	1,620,000
Sale of Scrap	4,295,024	4,203,464
Miscellaneous Income	495,882	913,540
	<u>7,399,374</u>	<u>7,984,648</u>
Schedule 17 - Materials Consumed		
Raw materials consumed	346,774,717	329,300,572
Stores and spares consumed	16,257,628	15,382,849
Processing charges	30,533,591	32,172,340
Cost of traded goods sold	20,527,223	9,268,845
	<u>414,093,159</u>	<u>386,124,606</u>
(Increase)/Decrease in stocks		
Opening stock :		
Work-in-progress	28,884,825	32,987,079
Finished goods	24,757,215	20,487,296
	<u>53,642,040</u>	<u>53,474,375</u>
Closing stock :		
Work-in-progress	29,232,273	28,884,825
Finished goods	9,723,830	24,757,215
	<u>38,956,103</u>	<u>53,642,040</u>
	14,685,937	(167,665)
Difference in Excise duty on Opening and Closing Stocks of Finished Goods	<u>(3,099,389)</u>	<u>692,744</u>
	<u>11,586,548</u>	<u>525,079</u>
	<u>425,679,707</u>	<u>386,649,685</u>
Schedule 18 - Payments and Benefits to Employees		
Salaries, Wages and Bonus	33,677,124	30,908,473
Contribution to Provident Fund, Gratuity and other funds	1,826,276	1,746,673
Welfare Expenses	462,453	740,961
	<u>35,965,853</u>	<u>33,396,107</u>

SCHEDULE TO THE ACCOUNTS

		In Rs.
	2009	2008
Schedule 19 - Operating and Other Expenses		
Power & Fuel	7,446,444	8,001,804
Repairs and Maintenance :		
Plant and Machinery	6,301,317	5,952,963
Buildings	1,476,964	1,362,575
Rates and Taxes	298,859	10,101
Travel and Conveyance	7,622,870	7,742,636
Postage and Telephone	1,861,987	1,606,288
Printing and Stationery	1,720,860	1,969,070
Legal and Professional Fees	6,009,266	3,319,890
Insurance	1,018,409	1,188,390
Managerial Remuneration	4,909,797	5,123,705
Directors' Sitting Fees	30,000	66,000
Directors' Commission	—	512,370
Donation	30,000	405,000
Packing and Forwarding	12,751,662	12,623,804
Product Distribution Expenses	6,687,877	4,977,697
Sales Promotion Expenses	3,184,822	2,186,984
Loss on Sale of Fixed Assets	824,818	7,081
Cash Discount	941,887	562,789
Loss on Foreign Exchange Fluctuation	1,443,246	333,209
Bad Debts Written Off	64,225	109,596
Other Miscellaneous Expenses	4,874,016	5,122,015
Warranty Expenses	75,000	—
	<u>69,574,326</u>	<u>63,183,967</u>
Schedule 20 - Finance Charges		
Interest		
On Fixed Loans	12,114,480	13,876,741
Interest to Jt. Managing Director Rs. 24,456 (Previous year Rs.2,125)		
On other loans	13,585,334	12,350,559
Bank and other charges	3,880,814	2,905,112
	<u>29,580,628</u>	<u>29,132,412</u>
Schedule 21 - Provision for Tax		
Income Tax for the year :		
Current	11,937,250	8,130,000
Deferred	(2,362,000)	2,815,000
Fringe Benefit Tax	700,000	665,000
Adjustments for earlier year/s	53,773	—
	<u>10,329,023</u>	<u>11,610,000</u>

Schedule 22 - NOTES FORMING PART OF THE ACCOUNTS

1. 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

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 the Profit and Loss Account as incurred.

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.

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.

Schedule 22 - NOTES FORMING PART OF THE ACCOUNTS (contd.)**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 current assets and liabilities are restated at the rate of exchange prevailing on the date of the Balance Sheet. The difference in exchange arising on settlement of the transaction or on restatements at the year end is adjusted to Profit and Loss Account.
3. In respect of amount payable in foreign currency covered by forward contracts, the premium is recognised over the period of contract.

I. Custom Claim Receivable

Custom Claims Receivable under DFRC and DEPB licenses for export have been accounted based on shipment to overseas customers.

J. Borrowing Costs

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

K. Taxation

Provision for taxation for the current accounting period is made in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax resulting from timing difference between book profits and tax profits is accounted for at the applicable rate of tax to the extent timing differences are expected to crystallise, in the case of deferred tax assets with virtual certainty, that there would be adequate future taxable income against which deferred tax assets can be realised.

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. Miscellaneous / Deferred Revenue Expenditure

Voluntary retirement scheme compensation paid to employees is amortised over a period of four years.

N. Subsidies Received

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

Schedule 22 - NOTES FORMING PART OF THE ACCOUNTS (contd.)

		In Rs.
	2009	2008
2. Contingent Liabilities not provided for		
Sales Tax	157,282	157,282
3. Estimated amounts of contracts remaining to be executed on capital account and not provided for	82,778,476	9,372,172
4. Remuneration to Managing Director, Jt. Managing Director & Whole Time Director (included under various heads of accounts)		
i) Salary	3,278,400	2,989,109
ii) Commission	—	1,771,225
iii) Contribution to Provident Fund & Superannuation Fund	1,249,316	257,961
vi) Other perquisites	382,081	105,410
	<u>4,909,797</u>	<u>5,123,705</u>
5. Details of Payments to Statutory Auditors		
Audit Fees	120,000	120,000
In other capacity *	22,000	15,000
For Expenses	4,661	23,169
	<u>146,661</u>	<u>158,169</u>
* Certification of Miscellaneous Statements and Company Law Matters		
6. Other Advances recoverable in Schedule 11 include :		
Amount due from private limited companies in which directors of the Company are directors / members	—	948,035
7. Computation of Net Profit as per Section 349 read with Section 309(5) and 198 of the Companies Act, 1956, for calculation of remuneration payable to Directors:		
Profit for the year before taxation	37,543,442	45,534,960
Add : 1. Directors Fees	30,000	66,000
2. Remuneration to Directors	4,909,797	5,636,075
	<u>42,483,239</u>	<u>51,237,035</u>
Less: 1. Profit on sale of Immovable Property	10,196,440	—
2. Profit on sale of Investment	100,000	—
Net Profit for purposes of calculation of remuneration (A)	<u>32,186,799</u>	<u>51,237,035</u>
Remuneration payable to Directors 11% on (A)	Not Applicable	5,636,075

Note : This year, in view of inadequate profits u/s 349 of the Companies Act 1956, the remuneration to the Directors is limited to the minimum remuneration payable as per Schedule XIII of the Companies Act, 1956.

Schedule 22 - NOTES FORMING PART OF THE ACCOUNTS (contd.)

		2009	In Rs. 2008
8. Licensed and Installed Capacities and Production			
a. Licensed and Installed Capacities			
<u>Product</u>	<u>Unit</u>	<u>Installed Capacity</u>	<u>Installed Capacity</u>
Portable Power Tools		Refer note below	Refer note below
Blowers		Refer note below	Refer note below
Electricity	KWH per annum	4,100,000	4,500,000

Notes :

- Most of the Plant and Machinery being common for different products manufactured by the Company and Installed Capacity being dependent on product mix, which in turn is decided by the actual demand for various products from time to time and also on availing subcontracting facilities, it is not feasible for the Company to indicate the exact Installed Capacity.
- The Company does not require license to manufacture the items produced by it.

b. Production

<u>Product</u>	<u>Unit</u>	<u>Quantity</u>	<u>Quantity</u>
Portable Power Tools	Nos.	189,405	173,685
Blowers	Nos.	899	949
Electricity	KWH	3,331,512	1,982,220

9. Quantitative Breakup in respect of Opening and Closing Stock of each class of goods

<u>Product</u>	<u>Unit</u>	<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
Opening Stock :					
a. Goods manufactured					
Portable Power Tools	Nos.	9518	19,112,901	4854	12,121,125
Blowers	Nos.	36	1,680,801	47	1,994,236
Spares	—	—	3,963,513	—	6,371,935
b. Goods Traded					
Portable Power Tools	Nos.	547	1,012,572	147	218,466
Spares	—	—	—	—	—
			<u>25,769,787</u>		<u>20,705,762</u>
Closing Stock					
a. Goods manufactured					
Portable Power Tools	Nos.	3954	6,867,275	9518	19,112,901
Blowers	Nos.	6	235,155	36	1,680,801
Spares	—	—	2,621,400	—	3,963,513
b. Goods Traded					
Portable Power Tools	Nos.	1120	2,768,793	547	1,012,572
Spares	—	—	—	—	—
			<u>12,492,623</u>		<u>25,769,787</u>

Schedule 22 - NOTES FORMING PART OF THE ACCOUNTS (contd.)

In Rs.
2008

2009					
				Quantity	Value
10. Purchase of Trading Goods	Product	Unit	Quantity	Value	
	Portable Power Tools	Nos.	1603	3,871,461	2,507,910
	Spares	—	—	18,166,035	7,555,041
				<u>22,037,496</u>	<u>10,062,951</u>
11. Consumption of Raw Material with value and quantitative breakup				Quantity	Value
	Raw Material	Unit	Quantity	Value	
	Ferrous Castings	Nos.	485927	36,089,977	41,390,672
	Steel	Kgs.	190246	20,893,069	18,326,155
	Non-Ferrous Castings	Kgs.	1463	425,847	565,569
	Other	—	—	289,365,824	269,018,176
				<u>346,774,717</u>	<u>329,300,572</u>
12. Value of Raw Material consumed and percentage thereof to the total consumption					
a. Imported					
	Value		96,215,918		72,556,716
	Percentage to total consumption		28%		22%
b. Indigenous					
	Value		250,558,799		256,743,856
	Percentage to total consumption		72%		78%
			<u>346,774,717</u>		<u>329,300,572</u>
13. Turnover (Net of Excise Duty)					
	Unit	Quantity	Value	Quantity	Value
Portable Power Tools :					
Tools	Nos.	195999	411,513,215	169914	387,403,703
Tools' Spares	—	—	116,052,178	—	110,573,996
Blowers :					
Blowers	Nos.	929	43,680,838	960	46,456,573
Blowers' Spares	—	—	26,981,902	—	27,095,908
Electricity	KWH	3,331,512	14,626,574	1,982,220	6,422,190
Export Benefit	—	—	1,612,698	—	1,756,923
			<u>614,467,405</u>		<u>579,709,293</u>
14. Value of imports calculated on CIF basis					
	Raw Material, Components and Spares		100,531,032		66,198,131
	Capital Goods		3,080,804		11,631,877

Schedule 22 - NOTES FORMING PART OF THE ACCOUNTS (contd.)

		2009	In Rs. 2008
15. Expenditure in Foreign Currency			
Travelling		653,540	1,061,485
Professional Fees		1,816,977	111,482
Others		—	184,933
16. Earnings in Foreign Currency			
FOB Value of exports		99,623,136	96,658,246
17. Amount of borrowing costs capitalised during the period		1,081,548	373,203
18. Voluntary Retirement Scheme			
Voluntary Retirement Scheme compensation Rs.13,063,154 paid during 2006-07 has been treated as Deferred Revenue Expenditure to be written off over a period of four years. Amount written off during the year is Rs.3,483,505. (Previous year Rs.3,483,505).			
19. Earning per share			
a. Profit after tax as per the Profit & Loss Account	(a)	27,214,419	33,924,960
b. Weighted average of No. of Shares	(b)	3,400,000	3,400,000
c. Basic and Diluted Earnings per share of Rs.5/- each	(a / b)	8.00	9.98
20. Segment Reporting			
I. Primary Report under Business Segments			
<u>Revenue</u>			
Sales:			
Portable Power Tools		529,178,090	499,734,622
Blowers		70,662,741	73,552,481
Windmills		14,626,574	6,422,190
		<u>614,467,405</u>	<u>579,709,293</u>
<u>Segment Results (Gross)</u>			
Portable Power Tools		58,990,982	78,603,833
Blowers		9,753,468	12,837,037
Windmills		6,595,134	(739,439)
Total		<u>75,339,584</u>	<u>90,701,431</u>
Unallocated Corporate Expenses		22,327,823	20,535,202
Operating Profit		53,011,761	70,166,229
Interest Expense		29,580,628	29,132,412
Other Income		7,399,374	7,984,648
Loss / Profit from ordinary activity		30,830,507	49,018,465

Schedule 22 - NOTES FORMING PART OF THE ACCOUNTS (contd.)

		In Rs.
	2009	2008
Exceptional Items :		
VRS Compensation	3,483,505	3,483,505
Profit on Sale of Land	10,196,440	—
Profit before tax	37,543,442	45,534,960

Segment Assets

Portable Power Tools	406,412,716	425,725,780
Blowers	78,822,338	77,828,063
Windmills	84,908,739	95,260,911
Total	570,143,793	598,814,754
Add: Unallocated Corporate Assets	66,268,075	82,377,496
	636,411,868	681,192,250

Segment Liabilities

Portable Power Tools	76,415,117	85,896,971
Blowers	12,373,771	12,712,551
Windmills	5,738	50,040
Total	88,794,626	98,659,562
Add: Unallocated Corporate Liabilities	316,946,265	366,769,561
	405,740,891	465,429,123

Capital Expenditure

Portable Power Tools	24,916,631	21,540,061
Blowers	10,293,061	34,166,986
Windmills	1,105,807	487,500
Total	36,315,499	56,194,547

Depreciation

Portable Power Tools	17,954,240	15,293,958
Blowers	4,320,001	2,717,366
Windmills	5,914,118	6,221,392
Total	28,188,359	24,232,716

Non-cash expenses other than depreciation

Portable Power Tools	2,622,472	2,788,405
Blowers	763,811	769,290
Windmills	—	—
Total	3,386,283	3,557,695

II. Secondary Business Segments

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

Net Sales

India	513,231,571	481,294,124
Outside India	101,235,834	98,415,169
	614,467,405	579,709,293

Schedule 22 - NOTES FORMING PART OF THE ACCOUNTS (contd.)

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.

21. Employee Benefits

Disclosure under AS - 15 (Revised 2005)

	In Rs.	
	2009	2008
I. Defined Contribution Plan		
Contribution to Defined Contribution Plans, recognised as expense for the year are as under :		
Employer's Contribution to Provident Fund	2,107,076	1,972,408
Employer's Contribution to Superannuation Fund	1,058,426	167,232
II. Defined Benefits Plan		
Gratuity		
Gratuity is payable to all eligible employee on retirement, death or termination in terms of provision of the Payment of Gratuity Act. The Company makes yearly contribution to a Gratuity Trust equal to premium of Group Gratuity Insurance with Life Insurance Corporation of India.		
i) Assumptions		
Mortality as per -1994-96	LIC Ult table	LIC Ult table
Interest / Discount Rate	7.75 %	8 %
Rate of increase in compensation	5%	5 %
Rate of return (expected) on plan assets	8%	8 %
Employee Average Attrition Rate	2%	2 %
ii) Changes in present value of obligations		
PVO at beginning of period	4,864,444	4,557,439
Interest cost	430,754	389,898
Current Service Cost	570,248	445,916
Benefits Paid	(100,530)	(259,256)
Actuarial (gain)/loss on obligation	(268,730)	(269,553)
PVO at end of period	5,496,186	4,864,444

Schedule 22 - NOTES FORMING PART OF THE ACCOUNTS (contd.)

	2009	In Rs. 2008
III. Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	2,444,861	1,938,927
Expected Return on Plan Assets	211,685	190,301
Contributions	251,470	569,462
Benefit Paid	(100,530)	(259,256)
Actuarial gain/(loss) on plan assets	20,265	5,427
Fair Value of Plan Assets at end of period	2,827,751	2,444,861
IV. Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	2,444,861	1,938,927
Actual Return on Plan Assets	231,950	195,728
Contributions	251,470	569,462
Benefit Paid	(100,530)	(259,256)
Fair Value of Plan Assets at end of period	2,827,751	2,444,861
Funded Status	(2,668,435)	(2,419,583)
Excess of actual over estimated return on Plan Assets	20,265	5,427
V. Actuarial Gain/(Loss) Recognized		
Actuarial (Gain)/Loss for the period (Obligation)	(268,730)	(269,553)
Actuarial Gain/(Loss) for the period (Plan Assets)	20,265	5,427
Total Gain/(Loss) for the period	288,995	274,980
Actuarial Gain/(Loss) recognized for the period	288,995	274,980
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	5,496,186	4,864,444
Fair Value of Plan Assets at end of period	2,827,751	2,444,861
Funded Status	(2,668,435)	(2,419,583)
Unrecognized Actuarial Gain/(Loss)	—	—
Net Asset/(Liability) recognized in the Balance Sheet	(2,668,435)	(2,419,583)
VII. Expense recognized in the Statement of P & L A/c		
Current Service Cost	570,248	445,916
Interest Cost	430,754	389,898
Expected Return on Plan Assets	(211,685)	(190,301)
Net Actuarial (Gain)/Loss recognized for the period	(288,995)	(274,980)
Expense recognized in the Statement of P & L A/c in schedule 18 - Payments & Benefits to Employees	500,322	370,533

Schedule 22 - NOTES FORMING PART OF THE ACCOUNTS (contd.)

		In Rs.
	2009	2008
VIII. Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	2,419,583	2,618,512
Expenses as above	500,322	370,533
Contribution paid	(251,470)	(569,462)
Closing Net Liability	2,668,435	2,419,583

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.

22. Leased Assets:

Disclosure as per Accounting Standard-19 on Leases issued by the Institute of Chartered Accountants of India:

- i) The company has taken certain premises on operating lease. The Agreements entered into provide for renewal clause and do not provide for escalation in rent (except in one case) and sub leasing.
- ii) Particular of future minimum lease payments in respect of the same are as mentioned below :

		In Rs.
<u>Period</u>	2009	2008
Not later than one year	564,000	769,000
Later than one year and not later than five years	1,790,700	2,354,700
Later than five years	—	—
Total	<u>2,354,700</u>	<u>3,123,700</u>
iii) Lease payment recognised in Profit & Loss Account for the year	784,000	265,500

23. Details of provisions and movements in each class of provisions.

Particulars	Amount	Amount
Carrying amount at the beginning of the year :		
Warranty	125,000	125,000
Additional provision made during the year :		
Warranty	75,000	—
Amount used during the year :		
Warranty	—	—
Unused amounts reversed during the year :		
Warranty	—	—
Carrying amount at the end of the year :		
Warranty	200,000	125,000

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

Product Warranty

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

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

Schedule 21 - NOTES FORMING PART OF THE ACCOUNTS (contd.)

25. 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. Shri Prakash A.Kulkarni	Managing Director (M.D.)
ii. Shri Ashok A.Kulkarni	Joint Managing Director (Jt.M.D.)
iii. Shri Dilip B. Kulkarni	Whole Time Director (W.T.D.)

2. <u>Relatives of Key Management Personnel</u>	<u>Nature of relationship</u>
<u>Name of the transacting related party</u>	
i. Shri Sahil A.Kulkarni	Son of Jt.M.D.
ii. Late Smt. Malati A.Kulkarni	Mother of M.D. and Jt.M.D.
iii. Smt. Sunanda A.Kulkarni	Wife of Jt.M.D.
iv. Shri Ajay A. Kulkarni	Son of Jt.M.D.
v. Shri Ajit A. Kulkarni	Brother of M.D. & Jt. M.D.
vi. Smt. Medha D. Kulkarni	Wife of W.T.D.

Disclosure of Related Party Transactions

Sr. No.	Nature of Transaction	Key Management Personnel (KMP)	Rs. Relatives of (KMP)	Rs. Total
1.	Remuneration paid	4,909,797 (5,123,705)	1,115,400 (1,052,400)	6,025,197 (6,176,105)
2.	Deposits received	600,000 —	1,217,000 (1,452,000)	1,817,000 (1,452,000)
3.	Deposits Refunded	— (100,000)	1,134,000 (2,732,000)	1,134,000 (2,832,000)
4.	Interest Paid	24,456 (2,125)	129,267 (138,931)	153,723 (141,056)
5.	Dividend Paid	124,116 (124,116)	271,728 (271,728)	395,844 (395,844)
6.	Outstanding Balances as on 31-03-2009			
	Payables	848,000 (1,995,116)	1,300,500 (1,217,500)	2,148,500 (3,212,616)

26. Figures of the previous year have been regrouped where necessary.

27. Figures in the brackets pertain to previous year.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

CIN L29130MH1976PLC019147 Balance Sheet Date 31st March, 2009

II. Capital issued during the year :

	<u>Rs.'000</u>		<u>Rs.'000</u>
Public Issue	—	Rights Issue	—
Bonus Issue	—	Private Placement	—

III. Position of Mobilisation and Deployment of Funds :

Total Liabilities	<u>526,946</u>	Total Assets	<u>526,946</u>
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Sources of Funds :

Paid up Capital	17,000
Reserves and Surplus	172,604
Secured Loans	219,826
Unsecured Loans	76,449
Deferred Tax Liability (Net)	41,067

526,946

Application of Funds :

Net Fixed Assets	324,409
Investments	665
Net Current Assets	198,389
Miscellaneous Expenditure	3,483

526,946

IV. Performance of the Company :

Turnover (Net of Excise Duty)	614,467	Profit / (Loss) before Tax	37,543
Total Expenditure	591,036	Profit / (Loss) after Tax	27,214

Rate of Dividend	20 %	Earning per Share of Rs.5 each	<u>Rs.</u> 8.00
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V. Generic names of three principal Products / Services (as per monetary terms) :

Drills	I.T.C. code	84672100
Grinders	I.T.C. code	84672900
Sanders	I.T.C. code	84672900
Root Blowers	I.T.C. code	84145930

As per our report of even date attached

For M/s P.G. Bhagwat
Chartered Accountants

Nikhil M. Shevade
Partner
Membership No. 217379

Mumbai
26th May, 2009

For and on behalf of the Board of Directors

P.A. Kulkarni Vice Chairman & Managing Director	D.B. Kulkarni Whole-time Director
--	--------------------------------------

Mumbai
26th May, 2009

Form 2B
(see rules 4CCC and 5D)

NOMINATION FORM

(to be filled in by individual(s) applying singly or jointly)

I/We _____ and _____ and _____ the _____ holders of shares / Debentures/ Deposit Receipt bearing number(s) _____ of M/s. _____ wish to make a nomination and do hereby nominate the following person(s) in whom all rights of transfer and/or amount payable in respect of shares or debentures or deposits shall vest in the event of my or our death.

Name(s) and Address(es) of Nominee(s)

Name: _____

Address: _____

Date of Birth* _____

*(to be furnished in case the nominee is a minor)

** The Nominee is a minor whose guardian is _____ Name and Address

(** To be deleted if not applicable)

Signature: _____

Name : _____

Address : _____

Date: _____

Signature: _____

Name : _____

Address : _____

Date

Signature: _____

Name : _____

Address : _____

Date

Address, Name and Signature of witnesses:

Name and Address

Signature with date

1.

2.

INSTRUCTIONS:

1. The Nomination can be made by individuals only applying/holding shares/debentures on their own behalf singly or jointly. Non-individual including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly all joint holders will sign the nomination form. Space is provided as a specimen, if there are more joint holders more sheets can be added for signatures of holders of shares/debentures and witness.
2. A minor can be nominated by a holder of shares/debentures/deposits and in that event the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
4. Nomination stands rescinded upon transfer of share/debenture or repayment/renewal of deposits made.
5. Transfer of share/debenture in favour of a nominee and repayment of amount of deposit to nominee shall be a valid discharge by a company against the legal heir.
6. The intimation regarding Nomination/ Nomination Form shall be filed in duplicate with Company/Registrar and Share Transfer Agents of the Company who will return one copy thereof to the share or debenture or deposits holder.



KULKARNI POWER TOOLS LTD.

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

ATTENDANCE SLIP

33rd ANNUAL GENERAL MEETING

on 30th September, 2009

I certify that I am a registered member/ proxy for the registered member of the Company. I hereby record my presence at the 33rd ANNUAL GENERAL MEETING of the Company, being held at Shirol - 416 103, Dist. Kolhapur, at 4.30 p.m., on Wednesday, the 30th September, 2009.

Member's Name in Block Letters

Member's Signature

Proxy's Name in Block Letters

Proxy's Signature

NOTES :

- 1) This Meeting is of members only and you are requested not to bring with you any person who is not a member.
- 2) Members/proxy holders are requested to bring the attendance slip with them when they come to the Meeting and hand it over at the entrance after signing.

KULKARNI POWER TOOLS LTD.

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

PROXY FORM

L. F. No. : _____

No. of Shares _____

DP ID : _____

Client ID No. : _____

I / We _____

of _____ being Member / Members of Kulkarni Power Tools Ltd., hereby

appoint _____ of _____

or / failing him _____ of _____

as my / our proxy to attend and vote for me/us on my/ our behalf at the 33rd ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 30th September, 2009, at 4.30 p.m., and at any adjournment thereof.

As witness my hand / our hands this _____ day of _____ 2009.

(Signature of the Shareholder across a 15 paise revenue stamp)

NOTE : The proxy must be deposited at the Registered Office of the Company at Shirol - 416 103, Dist. Kolhapur, not later than 48 hours before the time of holding the Meeting.

KPT POWER TOOLS

KULKARNI POWER TOOLS LTD.

Shirol 416 103, Dist. Kolhapur,
Maharashtra, India

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Fax :02322 661546

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