

THE KOLHAPUR STEEL LIMITED

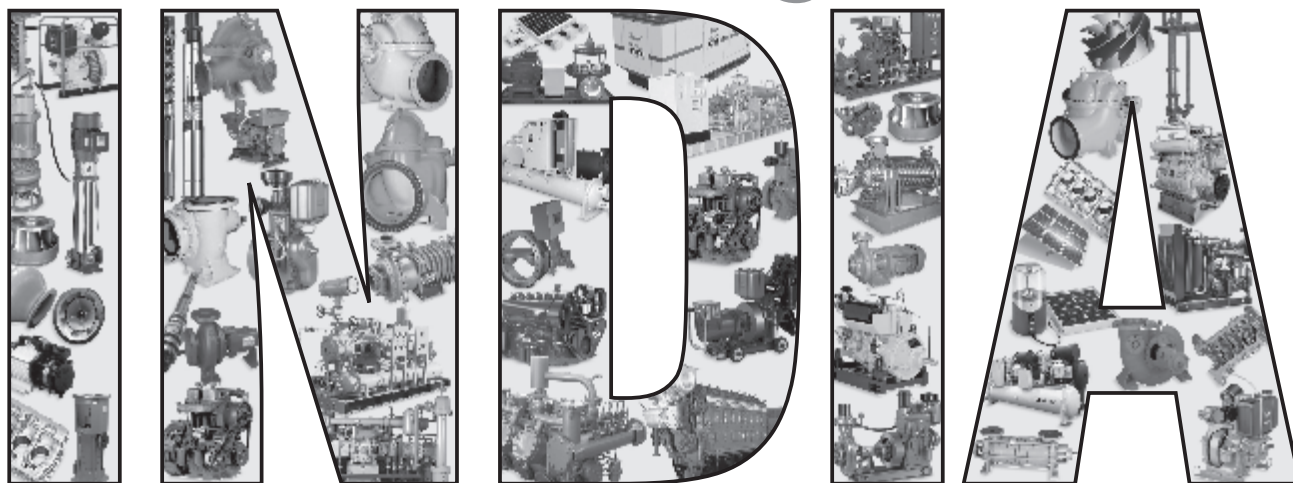
A Kirloskar Group Company

50th ANNUAL REPORT 2014 - 2015



Enriching Lives

MAKING IN



SINCE 1910

It has always been a matter of great pride for us to be able to serve the world relentlessly through critical engineering solutions - made right here in India, since 1910. And with the 'Make in India' programme gaining momentum, there is greater emphasis on reforms, new initiatives and best-in-class manufacturing infrastructure.

With the winds of change blowing in India's favour, there's never been a better time for us to put it in the league of global champions. With innovative, indigenous offerings, we will ensure that the world continues to look at India with awe and admiration.



Your company is poised to make India proud by:

- Guaranteeing customer satisfaction through quality, price and service by supplying value-added products.
- Being an innovative solution provider for pump, valve, turbine & engineering products.
- Ensuring employee bonding, engagement and empowerment with rewards & recognition.
- Encouraging lean thinking and innovative approach to sustain performance results.
- Planning the way forward through 'engage, encourage & empower'.
- Upgrading skills through training for all employees.
- Introducing the 'Career Progression Scheme' for all employees.

BOARD OF DIRECTORS

Shri. J. R. Sapre	Chairman
Shri. D. B. Nimbalkar	Director
Shri. S. A. Phadnis	Director
Shri. E. V. Bachute	Director
Shri. A. K. Srivastav	Director
Shri. D. Y. Vetel	Director (upto 08-07-2014)
Shri. P. H. Pudale	Additional Director (w.e.f. 16-01-2015)
Shri. K. Taranath	Additional Director (w.e.f. 30-03-2015)
Shri. A. B. Gokhale	Additional Director (w.e.f. 30-03-2015)

AUDITORS

M/s P. G. Bhagwat
Chartered Accountants, Pune

BANKERS

Industrial Development Bank of India Ltd. (IDBI Bank Ltd.)

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
(Unit : The Kolhapur Steel Limited)
Block No. 202, 2nd Floor, Akshay Complex
Near Ganesh Temple, off Dhole-Patil Road
Pune - 411 001
Tel No.: (020) 26160084/ 26161629
Fax No. : (020) 26163503
E-mail : pune@linkintime.co.in

REGISTERED OFFICE AND FACTORY

At & Post	:	Pune-Bangalore High-way Shiroli (Pulachi), Tal. Hatkanangale
Dist.	:	Kolhapur 416 122
Phones	:	(0230)2468061 / 62 / 63
Website	:	www.kolhapursteel.com

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NOTICE

Notice is hereby given that the 50th Annual General Meeting of the Members of **THE KOLHAPUR STEEL LIMITED** will be held at the Registered Office of the Company at Pune-Bangalore Highway, Shirohli (Pulachi), Taluka Hatkanangale, Dist. Kolhapur - 416 122 on Friday, 26th day of June, 2015 at 11.00 a.m. to transact the following business:

1. To consider and adopt the Audited Financial Statements as at March 31, 2015 of the Company for the year ended on March 31, 2015 and Board's Report and Auditors' Report thereon.
2. To appoint a director in place of Mr. Eknath Bachute (DIN 06604325) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. Aseem Srivastav (DIN 03178279) who retires by rotation and being eligible, offers himself for reappointment.
4. To ratify appointment of the Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

5. To pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152, 160 and other applicable sections of the Companies Act, 2013, and rules thereunder read with Schedule IV, as amended from time to time, approval be and is hereby given for, appointment of Mr. Prakash Pudale (DIN 07024168), Additional Director as Director of the Company who will be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution."

6. To pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and other applicable sections of the Companies Act, 2013, and rules thereunder read with Schedule IV, as amended from time to time, approval be and is hereby given for appointment of Mr. K. Taranath (DIN 00051697), Additional Director as an Independent Director of the Company for a period of five years with effect from March 30, 2015.

RESOLVED FURTHER THAT Mr. K. Taranath shall not be considered as a director liable to retire by rotation in terms of Section 152 of the Companies Act, 2013, unless he is disqualified to be an Independent Director of the Company before the expiry of five years, in terms of the applicable provisions of the Companies Act, 2013, and rules thereunder, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution."

7. To pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and other applicable sections of the Companies Act, 2013, and rules thereunder read with Schedule IV, as amended from time to time, approval be and is hereby given for appointment of Mr. Achyut Gokhale (DIN 00198894), Additional Director as an Independent Director of the Company for a period of five years with effect from March 30, 2015.

RESOLVED FURTHER THAT Mr. Achyut Gokhale shall not be considered as a director liable to retire by rotation in terms of Section 152 of the Companies Act, 2013, unless he is disqualified to be an Independent Director of the Company before the expiry of five years, in terms of the applicable provisions of the Companies Act, 2013, and rules thereunder, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution.”

8. 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 61 and all other applicable provisions of the Companies Act, 2013 and in accordance with the provisions of the Articles of Association of the Company, the existing Authorised Share Capital of Company of Rs. 300,000,000/- (Rupees Thirty Crores only) divided into 150,000,000 (Fifteen Crores only) Equity Shares of Re. 1/- (Rupee One only) each and Rs. 150,000,000/- (Rupees Fifteen Crores only) Preference Share Capital divided into 15,000,000 (One Crore Fifty Lacs only) Preference Shares of Rs. 10/- (Rupees Ten only) each be and is hereby reclassified as Rs. 50,000,000/- (Rupees Five Crores only) Equity Share Capital divided into 50,000,000 (Five Crores only) Equity Shares of Re. 1/- (Rupee One only) each and Rs. 250,000,000/- (Rupees Twenty-Five Crores only) Preference Share Capital divided into 25,000,000 (Two Crore Fifty Lacs only) Preference Shares of Rs. 10/- (Rupees Ten only) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be substituted as under:

V. The Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crores only) divided into Rs. 50,000,000/- (Rupees Five Crores only) Equity Share Capital consisting of 50,000,000 (Five Crores only) Equity Shares of Re. 1/- (Rupee One only) each and Rs. 250,000,000/- (Rupees Twenty-Five Crores only) Preference Share Capital consisting of 25,000,000 (Two Crore Fifty Lacs only) Preference Shares of Rs. 10/- (Rupees Ten only) each, with power to increase or reduce, the capital of the Company for the time being into several classes, to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such steps and to do all such acts and things as may be necessary to give effect to the resolution.

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

“**RESOLVED THAT** pursuant to Section 55 and all other applicable provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board to issue Preference Share Capital upto Rs.100,000,000/- (Rupees Ten Crores only) consisting of 10,000,000 (One Crore only) 6% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each in one or more tranches having following rights and conditions:

- (a) The shares shall carry preferential rights towards payment of dividend vis-à-vis equity shares at a fixed rate of 6% payable out of the distributable profits as determined by the Board of Directors on the fully paid amount of the shares;
- (b) The shares shall not carry any rights in participation of surplus funds;
- (c) The shares shall, in the event of winding up, carry preferential right to payment of such capital as has been paid up on the shares and all arrears of fixed dividend accrued upto the commencement of the winding up (whether earned or declared) in priority to the equity shares but shall not confer the right to any further participation in profits or assets;
- (d) The rate of dividend shall be 6% on cumulative basis;
- (e) The shares are not convertible into equity shares;
- (f) The shares shall not confer on the holder thereof any right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 47(2) of the Companies Act, 2013;
- (g) The shares are redeemable along with arrears of dividend till the date of redemption at any time after completion of 4 (four) years from the date of the allotment, at the option of the Company, upon giving the holders of the shares not less than 15 (fifteen) days previous notice in writing. The maximum tenure of the shares is 7 (seven) years from the date of the allotment.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such matters, deeds and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue of the aforesaid shares and to resolve and settle all questions and difficulties that may arise in the proposed issue of any of the said shares, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and all such authorities exercised by the Board in pursuance to the above be and are hereby approved.

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune
Date: April 16, 2015

J. R. Sapre
Chairman
(DIN 00155251)

NOTES :

1. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE SAID MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of Members not exceeding 50 (Fifty) and holding not more than 10% of total share capital of the Company. The instrument of proxy duly completed should be lodged at the Registered Office of the Company not less than forty eight hours before the Annual General Meeting (AGM). During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, Members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.

2. Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), Statement of material facts in respect of Item Nos. 5 to 9 above is annexed.
3. The documents relating to the items of Special Businesses are available for inspection by the Members of the Company at its Registered Office during business hours on any working day (excluding Monday) of the Company.
4. Members desiring any information as regards accounts are requested to write to the Company atleast 7 days before the date of the meeting to enable the management to keep the information ready.
5. Members of the Company and / or their proxies only will be allowed to attend the Annual General Meeting. Before entering the meeting hall, Members and proxies are requested to sign the Attendance Slip in the prescribed form and leave it at the counter.

Members are requested to bring their Folio No. / Client ID and DP ID for easy identification.

6. Since, the Company's shares are available for dematerialisation, to ensure better investor service and elimination of risk of holding shares in physical form, it is requested that the Members holding shares in physical form to get their shares dematerialised at the earliest.
7. Members are requested to notify any change in their address to the Company / Registrar & Transfer Agents (R&T) at the address mentioned below. Members, having multiple folios, are requested to intimate to the Company / R&T, such folios, to consolidate all shareholdings into one folio.
8. The Company has appointed M/s Link Intime India Private Limited as its R&T. Therefore, all correspondence relating to transfer and transmission of shares, issue of duplicate share certificates, change of address, dematerialisation of shares, payment of dividend etc. will be attended and processed at the office of the R&T at the following address:-
Link Intime India Private Limited

Link Intime India Private Limited
(Unit: The Kolhapur Steel Limited)
Block No. 202, 2nd Floor, Akshay Complex,
Near Ganesh Temple, Off Dhole Patil Road,
Pune – 411 001
Tel. No. (020) 26160084
Fax No. (020) 26163503
Email : pune@linkintime.co.in

9. Pursuant to Sections 205A & 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account, which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company to a fund called “Investor Education and Protection Fund” (IEPF), set up by the Central Government. The unpaid / unclaimed final dividend for the financial years 2009-10 onwards will become transferable at the end of seven years from the respective dates of transfer of such amount to the unclaimed dividend accounts of the Company to IEPF.

The details of the same are given below :

Year	Dividend in Rs. per share	Date of declaration	Due Date of transfer to the IEPF Account
2009 - 10	1.00	14-Jul-10	August, 2017
2010 - 11	1.00	14-Jul-11	August, 2018
2011 - 12	0.25	14-Jul-12	August, 2019
2012 - 13	0.25	20-Jul-13	August, 2020

The company has not declared any dividend after the year 2012-13. The details of unclaimed dividend upto the year 2012-13 have been uploaded on Company website at www.kolhapursteel.com. This will facilitate the shareholders to claim their unclaimed dividend. Members are therefore, requested to check and send their claims, if any, for the relevant financial years before the respective amounts become due for transfer to IEPF.

10. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, all the businesses i.e. Ordinary and Special may be transacted through electronic voting system (e-voting), which is being provided by the Company. The Company has engaged the services of NSDL to provide the remote e-voting facility, which is available at the link <https://www.evoting.nsdl.com>. The instructions for e-voting are given herein below.

E- Voting instructions :

11. The cut-off date for entitlement of voting rights shall be considered on the paid up value of shares registered in the name of the shareholders in case of all those beneficial owners holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on closing hours on Friday, June 19, 2015 and to all those Members holding shares in physical form on closing hours on Friday, June 19, 2015, only.
12. The Board has appointed Mr. Vinayak Khanvalkar, a Practicing Company Secretary, Pune as a Scrutinizer to scrutinize the remote e-voting and physical voting process in accordance with the law in a fair and transparent manner.
13. The remote e-voting shall commence on Tuesday, June 23, 2015 at 9.00 a.m. and end on Thursday, June 25, 2015 at 5.00 p.m., remote e-voting shall not be allowed beyond Thursday, June 25, 2015 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date June 19, 2015, may cast their vote electronically. The remote e-voting shall be blocked by NSDL for voting after 5.00 p.m. on Thursday, June 25, 2015.
14. In case of Members, who have registered their e-mail IDs with the Company :
- You will receive an e-mail from NSDL containing your user ID and password for remote e-voting along with the notice of the meeting. Please note that the password is an initial password and needs to be changed on initial login.
 - If you are already registered with NSDL for remote e-voting, then you can use your existing user-ID & password for login.

- iii. For voting, you should log on to <https://www.evoting.nsdl.com> and click on 'Shareholder – Login' during the period mentioned in point No. 13 above.
- iv. Enter user ID and password as initial password and click login.
- v. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Click on 'e-voting: Active Voting Cycles'.
- vii. Select the 'Electronic Voting Event Number' (EVEN) of The Kolhapur Steel Limited (which is provided in the Attendance Slip).
- viii. Now you are ready for e-voting as 'cast vote' page opens.
- ix. Cast your vote by selecting appropriate option and click on 'submit' and also 'confirm' when prompted.
- x. Upon confirmation, the message 'Vote cast successfully' will appear. Once you have cast your vote on the resolution, you will not be allowed to modify it.
- xi. Institutional shareholders are required to send scanned copy (in PDF or JPEG format) of the relevant Board Resolution / Power of Attorney together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer at vinayak.khanvalkar@kanjcs.com with a copy marked to evoting@nsdl.co.in.

15. In case of other Members:

You will receive login ID and password at the bottom of the Attendance Slip. Please follow steps from 14 (iii) to (xi) for casting vote electronically.

16. For those who have acquired the shares and become Members of the Company after dispatch of notice and are entitled on the cut-off date i.e. June 19, 2015 for voting, may write to Mr. Rajiv Ranjan, Assistant Manager, NSDL at his designated email IDs: evoting@nsdl.co.in or rajivr@nsdl.co.in for obtaining user ID and password, which would be sent to them forthwith in the manner mentioned above. Alternatively, they may reach NSDL at 022-24994738 and lodge the request. Please also note that in case they are already registered with NSDL for remote e-voting, they can use their existing user ID and password for casting their vote electronically.
17. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

Please note that a Member whose name is recorded in register of Members or register of Beneficial Owners maintained by the depositories as on June 19, 2015, only shall be entitled to avail the facility of remote e-voting or voting at the Annual General Meeting.
18. Kindly note that vote once cast cannot be modified and Members who have exercised e-voting remotely may attend the meeting but shall not be entitled to cast their vote again.
19. In case of any queries relating to remote e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Members available at 'Downloads' sections of www.evoting.nsdl.com.
20. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and not later than 3 days of the conclusion of the meeting, make a consolidated report of the total votes cast in favour or against to the Chairman of the Company or any person authorised by him in writing, who shall countersign the same.
21. The result of the resolutions shall be declared by the Chairman or the authorised person shall declare the result of voting forthwith on receipt of the Scrutinizer's report.
22. The results declared along with the Scrutinizer's report shall be placed on the website of the Company at www.kolhapursteel.com and simultaneously at www.evoting.nsdl.com.
23. The notice has been uploaded on the website of the Company and NSDL.

ANNEXURE TO THE NOTICE

Statement of material facts as required under Section 102 of the Companies Act, 2013

Item No. 5

Mr. Prakash Pudale (DIN 07024168) was co-opted by the Board of Directors as an Additional Director of the Company with effect from January 16, 2015. In terms of Section 161 of the Companies Act, 2013, Mr. Prakash Pudale holds office up to the date of this Annual General Meeting. The Company has received a Notice along with deposit of Rs. 1 Lac from a Member, proposing the candidature of Mr. Prakash Pudale for the office of director of the Company as required by Section 160 of the Companies Act, 2013. The same would be available for inspection during business hours on any working day (excluding Monday).

Except Mr. Prakash Pudale, none of the other Directors and Key Managerial Personnel including their relatives are concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

Item No. 6

Mr. K. Taranath (DIN 00051697) was co-opted by the Board of Directors as an Additional Director in the category of an Independent Director with effect from March 30, 2015.

In terms of Section 161, 149 and Schedule IV of the Companies Act, 2013, the Board recommends appointment of Mr. K. Taranath as an Independent Director with effect from March 30, 2015 for a period of 5 years.

He has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment.

In Board's opinion the incumbent, Mr. K. Taranath fulfill the conditions specified in the Act and the Rules made thereunder for independence and also possess appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and that he is independent of management.

The Company has received a Notice along with deposit of Rs. 1 Lac from a Member, proposing the candidature of Mr. K. Taranath for the office of director of the Company as required by Section 160 of the Companies Act, 2013.

The notice under Section 160 and the terms and conditions of appointment would be available for inspection during business hours on any working day (excluding Monday) at the Registered Office.

The Board recommends approval of the resolution.

Except Mr. K. Taranath, none of the other Directors and Key Managerial Personnel including their relatives are concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

Item No. 7

Mr. Achyut Gokhale (DIN 00198894) was co-opted by the Board of Directors as an Additional Director in the category of an Independent Director with effect from March 30, 2015.

In terms of Section 161, 149 and Schedule IV of the Companies Act, 2013, the Board recommends appointment of Mr. Achyut Gokhale as an Independent Director with effect from March 30, 2015 for a period of 5 years.

He has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment.

In Board's opinion the incumbent, Mr. Achyut Gokhale fulfill the conditions specified in the Act and the Rules made thereunder for independence and also possess appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and that he is independent of management.

The Company has received a Notice along with deposit of Rs. 1 Lac from a Member, proposing the candidature of Mr. Achyut Gokhale for the office of director of the Company as required by Section 160 of the Companies Act, 2013.

The notice under Section 160 and the terms and conditions of appointment would be available for inspection during business hours on any working day (excluding Monday) at the Registered Office.

The Board recommends approval of the resolution.

Except Mr. Achyut Gokhale, none of the other Directors and Key Managerial Personnel including their relatives are concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

Item No. 8

In order to enable the Company to implement major capital investment plans to improve its condition; it is proposed to allot preference shares.

Since, existing Authorised Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crores only) consisting of 150,000,000 (Fifteen Crores only) Equity Shares of Re. 1/- (Rupee One only) each and Rs. 150,000,000/- (Rupees Fifteen Crores only) Preference Share Capital divided into 15,000,000 (One Crore Fifty Lacs only) Preference Shares of Rs. 10/- (Rupees Ten only) each, it is required to reclassify the same in order to issue preference shares. Memorandum of Association of the Company is required to be altered for reclassification of share capital as set out in the Item No. 8.

It is proposed to reclassify the share capital into Rs. 50,000,000/- (Rupees Five Crores only) Equity Share Capital divided into 50,000,000 (Five Crores only) Equity Shares of Re. 1/- (Rupee One only) each and Rs. 250,000,000/- (Rupees Twenty Five Crores only) Preference Share Capital divided into 25,000,000 (Two Crore Fifty Lacs only) Preference Shares of Rs. 10/- (Rupees Ten only) each.

The altered draft Memorandum of Association is available at the Registered Office of the Company for Inspection during business hours on any working day (excluding Monday) of the Company.

The Board recommends the resolution for the approval of shareholders.

None of the Directors and Key Managerial Personnel including their relatives are, directly or indirectly, interested or concerned, financially or otherwise, in the proposed resolution.

Item No. 9

The revival strategy for the company, termed as 'Project Parivartan' is ongoing, and in this regard, the Company has approached, Kirloskar Brothers Limited (KBL), its holding company for infusing further funds in the Company. The proposed investment shall be utilised primarily on capital investment.

The Board of Directors has proposed issue of 6% Cumulative Non-Convertible Redeemable Preference Shares to KBL. The disclosures required as per the Companies (Share Capital and Debenture) Rules, 2014 are as under:

(a) Size of issue and number of preference shares to be issued and nominal value of each share:

10,000,000 (One Crore only) 6% Cumulative Non-Convertible Redeemable Preference Shares of face value of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 100,000,000/- (Rupees Ten Crores only).

(b) Nature of shares:

The shares shall carry preferential rights towards payment of dividend at a fixed rate of 6% on cumulative basis and capital, in the event of winding up as detailed in the resolution.

(c) Objective of the issue:

To achieve the projections and to make capital investments in the foundry process re-engineering and upgradation, the Board proposes to infuse capital by issue of Preference Shares.

(d) Manner of issue of shares:

The issue is proposed to be made to Kirloskar Brothers Limited, the Company's holding company in one or more tranches.

(e) Price at which shares are proposed to be issued:

The shares are proposed to be issued at face value of Rs. 10/- (Rupees Ten only) each.

(f) Basis on which the price has been arrived at:

The issue price is at the face value of Rs. 10/- (Rupees Ten only) each without any premium or discount.

(g) Terms of issue including terms and rate of dividend on each share : 6% Cumulative.

(h) Terms of redemption including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion:

The shares are redeemable along with arrears of dividend, if any, till the date of redemption, at any time after completion of 4(four) years from the date of the allotment, at the option of the Company, upon giving the holders of the shares not less than 15 (fifteen) days previous notice in writing. The maximum tenure of the Preference Shares is 7 (seven) years from the date of the allotment.

The shares would be redeemed at face value.

The shares are not convertible into equity shares.

(i) Manner and modes of redemption:

As per applicable provisions of the Companies Act, 2013.

(j) Current shareholding pattern of the Company :

Category	No. of Equity Shares	% of Equity Share Capital	No. of 6% Cumulative Non- Convertible Redeemable Preference Shares	% of Preference Share Capital
Bodies Corporate: Kirloskar Brothers Limited	16314315	95.97	15000000	100.00
Individuals: Public	685685	4.03	0	0.00
Total	17000000	100.00	15000000	100.00

(k) Expected dilution in equity share capital upon conversion of preference shares:

There would be no dilution in the equity share capital as the shares do not carry right of conversion.

The Board recommends the resolution for the approval of shareholders.

None of the Directors or their relatives is, directly or indirectly, interested or concerned, financially or otherwise in the proposed resolution. None of the directors hold more than 2% shares in Kirloskar Brothers Limited.

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune
Date: April 16, 2015

J. R. Sapre
Chairman
(DIN 00155251)

BOARD'S REPORT

To,

The members of the Company,

Your Directors present the 50th Annual Report and Audited Accounts of the Company for the year ended March 31, 2015.

FINANCIAL PERFORMANCE

The financial results of the Company for the year 2014 -15 as compared with the previous year are as under :

	Current Year ended March 31, 2015 (Rs. In Lakhs)	Previous Year ended March 31, 2014 (Rs. In Lakhs)
Sales	3017.47	2206.01
Other Income	124.31	49.11
Total	3141.78	2255.12
Less- Expenditure	3832.42	3666.89
Gross Profit / (Loss)	(690.64)	(1411.77)
(Add) / Less : Interest	116.43	42.54
Depreciation	133.97	80.41
Provision for Taxation	–	–
Net Profit /(Loss) for the year	(941.04)	(1534.72)
Balance of Profit / (Loss) brought from previous year	(1200.66)	334.06
Accumulated losses	(2141.70)	(1200.66)

STATEMENT OF AFFAIRS:

Your Company's turnover for the year under review has increased by 37% to Rs. 3017.46 Lakhs in comparison to the previous financial year. The Company has incurred losses mainly due to prolonged recessionary condition in all the industrial sectors, increase in prices of power and input materials cost.

The foundry up-gradation is in process which is expected to be completed in the financial year 2015-16.

The Company may explore change in product mix with a aim to get higher contribution and reduction in material and conversion costs.

The Company, subject to requisite approvals under the Companies Act, 2013, will issue Preference Shares up to Rs. 10 Crores to Kirloskar Brothers Limited. The details of which are included under Notice for the 50th Annual General Meeting.

There were no other material changes or commitments to report which affect the financial position of the Company that has occurred between the end of financial year and the date of this report.

REFERENCE TO BIFR

The Company has made reference to Board of Industrial and Finance Reconstruction (BIFR) in terms of provisions of Sick Industrial Companies (Special Provisions) Act, 1985. The same has been registered (Case no. 87/2014) by BIFR.

DIVIDEND

No Dividend is proposed for the year ended March 31, 2015.

STATUTORY DISCLOSURES

1. EXTRACT OF THE ANNUAL RETURN:

Extract of the Annual Return in Form MGT 9 as per provisions of Section 134 read with Section 92(3) of the Companies Act, 2013 is given in an Annexure I to this report.

2. BOARD MEETINGS :

During the Financial year 2014-15 the Board of Directors met 9 times on 16 April 2014, 6 June 2014, 20 July 2014, 13 August 2014, 26 September 2014, 14 October 2014, 16 January 2015, 25 February 2015 and 30 March 2015.

3. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments 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 and loss of the Company for that period;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the directors had prepared the annual accounts on a going concern basis; and
- e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

4. INDEPENDENT DIRECTORS DECLARATION

All independent directors of the Company have given declaration under sub-section (6) of section 149 of the Companies Act, 2013.

5. DISCLOSURE REQUIRED UNDER SECTION 134(3)(e)

Your Company follows good practice of corporate governance. The Board comprises of an optimum combination with appropriate balance of skill, experience, background, and other qualities required for effective functioning of the Board.

Remuneration Policy provides for component of remuneration to be paid to Key Managerial Personnel. The Remuneration policy is given in an Annexure II.

The Independent Directors of the Company are entitled to receive sitting fees for every meeting of Board or Committee thereof attended by them.

6. REPORT OF AUDITORS

During the financial year under review, there is no qualification, reservation or adverse remarks or disclaimer made by the auditors in their report.

All the recommendations of the Audit Committee have been accepted by the Board.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

There were no Loans, Guarantees and Investments made during the year as covered under the provisions of Section 186 of the Companies Act, 2013.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Disclosure relating to the particulars of contract or arrangement with related parties referred in sub-section (1) of section 188 in Form AOC-2 is as below:

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

- i. Details of contracts or arrangements or transactions not at arm's length basis: All the transactions with related parties are at arm's length.
- ii. Details of material contracts or arrangement or transactions at arm's length basis:

a	Name(s) of the related party and nature of relationship	Kirloskar Brothers Limited, holding company
b	Nature of contracts/arrangements/transactions	Sale / Purchase and rendering or receiving of services - Sale of unmachined castings and purchase of scrap
c	Duration of the contracts/arrangements/transactions	on monthly basis
d	Salient terms of the contracts or arrangements or transactions including the value, if any;	As per the invoices. The amount is mentioned under related party transaction which is appearing elsewhere in the Annual Report
e	Date(s) of approval by the Board, if any;	As all the transactions are in ordinary course of business and at arm's length, Board approval is not required
f	Amount paid as advances, if any:	Rs. 3,00,00,000 which was adjusted against invoices during the year

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo given as Annexure III.

10. BUSINESS RISK MANAGEMENT:

Senior management team periodically reviews the working conditions affecting the Company and reports the same to the Board.

11. OTHER STATUTORY DISCLOSURES AS REQUIRED UNDER RULE 8(5) OF THE COMPANIES (ACCOUNTS) RULES, 2014

(i) Financial summary/highlights are already included elsewhere in the Report;

(ii) There has been no change in the nature of the business during the year under review;

(iii) Directors and Key Managerial Personnel:

Mr. Aseem Srivastav & Mr. Eknath Bachute, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Prakash Pudale has been appointed as an Additional Director with effect from January 16, 2015 pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office till the date of the ensuing Annual General Meeting. The Board recommends his appointment as Director liable to retire by rotation.

Mr. K. Taranath has been appointed as an Additional Director in the category of Independent Director with effect from March 30, 2015, pursuant to the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office till the date of the ensuing Annual General Meeting. The Board recommends his appointment as an Independent Director at the ensuing Annual General Meeting.

Mr. Achyut Gokhale has been appointed as an Additional Director in the category of Independent Director with effect from March 30, 2015, pursuant to the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office till the date of the ensuing Annual General Meeting. The Board recommends his appointment as an Independent Director at the ensuing Annual General Meeting.

Mr. Dattatraya Vetal resigned as a Director of the Company with effect from July 08, 2014. The Board of Directors has placed on records its appreciation for the valuable contribution made by Mr. Dattatraya Vetal during his tenure as director.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. Basant Grover, Chief Executive Officer was appointed as Key Managerial Personnel and Mr. Dhananjay Katti was appointed as Chief Financial Officer, Key Managerial Personnel with effect from February 25, 2015.

(iv) **Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year:** Not Applicable

(v) **Details relating to Deposits**

Your Company has not accepted any deposits within the meaning of Section 2(31) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

(vi) **Significant and material orders passed by the Regulators or court or tribunals impacting the going concern status and company's operations in future :** None

(vii) **Details in respect of adequacy of internal financial controls with reference to the Financial Statement:**

Pricewaterhouse Coopers (India) Pvt. Ltd. were appointed as Internal Auditors for the year 2014-15. They have conducted their annual audit and reported their findings to the management.

(viii) **Other disclosures required under Companies Act, 2013 as may be applicable:**

Composition of the Audit Committee is as follows:

Mr. K. Taranath, Independent Director – Chairman

Mr. Achyut Gokhale, Independent Director – Member

Mr. Eknath Bachute, Non-Executive Director – Member

HOLDING COMPANY

Kirloskar Brothers Limited is the holding company.

CASH FLOW

A cash flow statement for the year ended March 31, 2015 is attached to the Balance Sheet.

AUDITORS

M/s P.G. Bhagwat, Chartered Accountants (Firm Registration No. 101118W) are appointed as auditors for a period of 5 years in the 49th Annual General Meeting held on July 20, 2014, subject to ratification of shareholders at each Annual General Meeting.

DISCLOSURE UNDER THE “SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In terms of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rule 2013, the report for the year ended on March 31, 2015:

No. of Complaints received in the year	Nil
No. of Complaints disposed off in the year;	Nil
Cases pending for more than 90 days;	Nil
No. of workshops and awareness programmes conducted in the year;	2
Nature of action by employer or District Officer, if any	Nil

ACKNOWLEDGMENT

Your Directors wish to place on record their appreciation for the co-operation given by the banks for their extended support and also to vendors and contractors of the Company, for their valuable support extended to the Company from time to time. Your Directors would further like to record their appreciation for the sincere efforts of every employee and their contribution in the Company's progress.

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune
Date: April 16, 2015

J. R. Sapre
Chairman
(DIN 00155251)

ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS :

i) CIN	U27106MH1965PLC013212
ii) Registration Date	26 May 1965
iii) Name of the Company	The Kolhapur Steel Limited
iv) Category / Sub-Category of the Company	Company Limited by Shares
v) Address of the Registered office and contact details	Pune-Bangalore Highway, Shirol (Pulachi), Kolhapur 416 122 Phone : 0230-2468061 / 62 / 63
vi) Whether listed company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001, 020-26160084

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Steel Casting	24319	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. NO	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Kirloskar Brothers Limited Udyog Bhavan, Tilak Road, Pune 411 002	L29113PN1920PLC000670	Holding	95.97	Section 2(46)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	16312643	1075	16313718	95.96%	16314315	0	16314315	95.97%	0.01%
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other...	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2) :-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	16312643	1075	16313718	95.96%	16314315	0	16314315	95.97%	0.01%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1) :-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	11092	675190	686282	4.04%	11092	674593	685685	4.03%	0.01%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2) :-	11092	675190	686282	4.04%	11092	674593	685685	4.03%	0.01%
Total Public Shareholding (B) = (B)(1) + (B)(2)	11092	675190	686282	4.04%	11092	674593	685685	4.03%	0.01%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	16323735	676265	17000000	100%	16325407	674593	17000000	100%	0%

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged / encumbered to total shares	
1	Kirloskar Brothers Limited	16313718	95.96%	0	16314315	95.97%	0	0.01%
	Total	16313718	95.96%	0	16314315	95.97%	0	0.01%

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	16313718	95.96%	16313718	95.96%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	Purchase of 597 shares on 23.02.2015	597	0.01%	16314315	95.97%
	At the end of the year			16314315	95.97%

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

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	For Each of the Top 10 Shareholders				
1	RAJSHEKHAR KESHAV SAHASRABUDHE				
	At the beginning of the year	7932	0.05%	7932	0.05%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	7932	0.05%
	At the end of the year (or on the date of separation, if separated during the year)			7932	0.05%
2	SHINDE SADASHIVRAO BHAURAO				
	At the beginning of the year	7685	0.04%	7685	0.04%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	7685	0.04%
	At the end of the year (or on the date of separation, if separated during the year)			7685	0.04%

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
3	PATIL ATUL ANANDRAO				
	At the beginning of the year	7063	0.04%	7063	0.04%
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	7063	0.04%
	At the end of the year (or on the date of separation, if separated during the year)			7063	0.04%
4	KADAM SHRIKANT DATTATRAYA				
	At the beginning of the year	5450	0.03%	5450	0.03%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer / bonus / sweat equity etc):	0	0	5450	0.03%
	At the end of the year (or on the date of separation, if separated during the year)			5450	0.03%
5	PATIL SHANTABAI SHIVAJI				
	At the beginning of the year	4400	0.03%	4400	0.03%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	4400	0.03%
	At the end of the year (or on the date of separation, if separated during the year)			4400	0.03%
6	KADAM SANGRAM SHRIKANT				
	At the beginning of the year	4225	0.02%	4225	0.02%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	4225	0.02%
	At the end of the year (or on the date of separation, if separated during the year)			4225	0.02%
7	KULKARNI MADAN SHANKAR				
	At the beginning of the year	3915	0.02%	3915	0.02%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	3915	0.02%
	At the end of the year (or on the date of separation, if separated during the year)			3915	0.02%
8	PATIL LAXMI GOVIND				
	At the beginning of the year	3845	0.02%	3845	0.02%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	3845	0.02%
	At the end of the year (or on the date of separation, if separated during the year)			3845	0.02%

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
9	PATEL VEERJIBHAI LADHARAM				
	At the beginning of the year	3775	0.02%	3775	0.02%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	3775	0.02%
	At the end of the year (or on the date of separation, if separated during the year)			3775	0.02%
10	YADAV PUSHPA RAGHUNATH				
	At the beginning of the year	3730	0.02%	3730	0.02%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	3730	0.02%
	At the end of the year (or on the date of separation, if separated during the year)			3730	0.02%

(v) Shareholding of Directors and Key Managerial Personnel:

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	0	0
	At the end of the year	0	0	0	0

(V) INDEBTEDNESS

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

	Secured Loans Excluding deposits (Amt. in Mn)	Unsecured Loans (Amt. in Mn)	Deposits	Total Indebtednes
Indebtedness at the beginning of the financial year				
i) Principal Amount	9.47	63.21	Nil	72.68
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	9.47	63.21	Nil	72.68

	Secured Loans Excluding deposits (Amt. in Mn)	Unsecured Loans (Amt. in Mn)	Deposits	Total Indebtednes
Change in Indebtedness during the financial year				
● Addition	27.48	50.00	Nil	77.48
● Reduction	Nil	Nil	Nil	Nil
Net Change	27.48	50.00	Nil	77.48
Indebtedness at the end of the financial year				
i) Principal Amount	36.95	113.21	Nil	150.16
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	36.95	113.21	Nil	150.16

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER : N.A.

B. REMUNERATION TO OTHER DIRECTORS :

Sl. No.	Particulars Remuneration	Name of Directors		Total Amount
	Independent Directors	Mr. K. Taranath	Mr. Achyut Gokhale	
1	Fee for attending board / committee Meetings	Nil	Nil	Nil
2	Commission	Nil	Nil	Nil
3	Others, please specify	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil

Sl. No.	Particulars Remuneration	Name of Directors						Total Amount
	Other Non-Executive Directors	Mr. J. R. Sapre	Mr. Dinkar Nimbalkar	Mr. Sandeep Phadnis	Mr. Eknath Bachute	Mr. Aseem Srivastav	Mr. Prakash Pudale	
1	Fee for attending board / committee Meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B) = (1 + 2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil						
	Overall Ceiling as per the Act	Rs. 30,00,000/-						

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO*	CFO*	Total
		Mr. Basant Grover	Mr. Dhananjay Katti	
1	Gross salary			
	(a) Salary as per provisions in section 17(1) of the Income-tax Act, 1961	220,686	73,465	294,151
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12,544	3,740	16,284
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- As % of profit	0	0	0
	- Others	0	0	0
5	Others	0	0	0
	Total	233,230	77,205	310,435

* Remuneration amount given from the date of appointment as KMP i.e. 25.02.2015

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : Nil

REMUNERATION POLICY

PHILOSOPHY :

As per the Corporate Governance philosophy followed by the Kirloskar Brothers Limited group, the Company believes that the system of Corporate Governance protects the interest of all the stakeholders by inculcating transparent business operations and accountability from management towards fulfilling the consistently high standard of Corporate Governance in all facets of the Company's operations.

The Company is committed to provide employment to all eligible applicants on the principles of equality without any discrimination.

The employees have to strictly follow the code of ethics and the management practices zero tolerance for the same.

OBJECTIVE :

- Transparent process of determining remuneration at Board and Senior Management level of the Company would strengthen confidence of stakeholders in the Company and its management and help in creation of long term value for them.
- Appropriate balance between the elements comprising the remuneration so as to attract potential high performing candidates for critical position in the Company for attaining continual growth in business.

COVERAGE :

Guidelines of determining remuneration of:

- i. Executive Directors
- ii. Non Executive Directors
- iii. Key Managerial Personnel
- iv. Senior Management Personnel

I. DIRECTORS

i. Executive Directors :

The Board of Directors of the Company shall decide the remuneration of Executive Directors on the basis of recommendation from Nomination and Remuneration Committee (N&RC) subject to the overall limits provided under the Companies Act, 2013 and rules made thereunder, including any amendments, modifications and re-enactments thereto ('the Act') and compliance of related provisions provided therein.

The remuneration shall be approved by the shareholders of the Company as and when required.

The Company shall enter into a contract with every Executive Director, which will set out the terms and conditions of appointment. The contract shall be recommended by the N&RC and approved by the Board. The contract shall be for such tenure as may be decided by the Board but which in any case shall not exceed the tenure as is provided in the Act and subject to such approvals as may be required.

Board may vary any terms and conditions of the contract from time to time during the tenure subject to such approvals, as may be required under the Act.

Every notice sent to the shareholder for seeking their approval for appointment / re-appointment / remuneration of the Executive Director shall contain the gist of terms and conditions of the contract.

The remuneration components shall include inter alia:

a. Fixed salary:

Each Executive Director shall be paid fixed salary consisting of basic salary and such allowances and perquisites as may be recommended by N&RC and decided by Board based on recommendations of N&RC and performance evaluation of each Executive Director from time to time, subject to overall limits as prescribed under the Act.

The salary shall remain fixed for the tenure of the executive director.

b. Commission :

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each director shall be recommended by the N&RC on the basis of the performance evaluation of the Executive Director undertaken by the N&RC and Board.

c. Non monetary benefits :

Executive Directors may be entitled to club membership, company vehicle with driver, reimbursement of fuel expenses, vehicle maintenance, telephone, fax, internet at residence, reimbursement of mobile phone bill, fully furnished accommodation (in case of use of own residential property for accommodation, house rent allowance shall be paid), furnishings, reimbursement of house maintenance expenditure, reimbursement of gas, electricity bill, water & other utilities and repairs at residence, reimbursement of medical expenditure for self and family and leave travel assistance.

The Executive Directors shall not be entitled for sitting fees for attending the Board and any Committee meetings.

Executive Director may also be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance etc. as per the Company's policy.

d. Stock options :

Executive Directors may be granted stock options as may be recommended by the N&RC and approved by the Board or any Committee of the Company or its holding company, if they are eligible as per existing scheme of stock options of its holding company or any scheme of stock options by the Company or its holding company.

e. Compensation for loss of office may be paid as may be approved by the Board subject to the provisions of Section 202 of the Act.

f. Separation / Retirement benefits :

Executive Director shall be eligible to the following perquisites which shall be included in the computation of the ceiling on remuneration provided in the Act except in case of loss or inadequacy of profits of the Company:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961 or any amendment thereof;
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- (c) Encashment of leave at the end of the tenure.

g. Performance Evaluation :

Performance evaluation of each Executive Director will be based on the key parameters for short and long term performance objectives appropriate to the working of the Company and its goals.

ii. Non Executive Directors:

The Company shall issue a letter of engagement or appointment to every Non-Executive – Independent Director. The components of payment of remuneration to Non-Executive Directors shall be as follows:

a. Sitting fees :

Sitting fees may be paid for Board Meetings and any Committee Meetings attended by the Non-Executive Director or Independent Directors. The fees may be same or different for attending the Board or Committee meetings or Board may determine the amount of sitting fees that may be paid for different types of meetings within limits as prescribed under the Act. Different sitting fees may be paid to Non-Executive Directors or Independent Directors.

Committee shall include Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, or such Committees as may be constituted by the Board.

b. Commission

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each director shall be recommended by the N&RC on the basis of annual performance evaluation of the director based on directors' attendance in board meeting, membership / chairmanship of the committees of the Board, time devoted for the Company, contribution in the Board process and such other criteria like duties delegated to the director etc. and which requires payment of higher commission to the director.

c. Stock Options:

Independent Directors and Promoter Directors shall not be entitled for stock options of the Company or of its holding company.

N&RC may recommend and grant issue of stock options to other directors subject to the compliance of the provisions of relevant laws to the Board or committee thereof of the holding company.

d. Professional fees:

Non Executive Directors may be paid fees for services of professional nature, if in the opinion of N&RC, the director possesses the requisite qualification for practicing the profession. N&RC may decide the qualifications which shall be deemed to be requisite qualification possessed by the Director(s) for providing services of the professional nature and the N&RC is not required to give its opinion to the company in that capacity. Such professional fees shall not be considered as remuneration for the purpose of the Act.

Excess Remuneration :

The Board of Directors may decide to remunerate the Director/s beyond the overall limits provided under the Companies Act, 2013 subject to compliance of provisions in this regard including obtaining approval of shareholders / Central Government, if required, owing to loss incurred by the Company or inadequacy of profits and situation entails providing such remuneration.

Waiving of Excess Remuneration :

Any remuneration or sitting fees paid, whether directly or indirectly, to any director beyond the limits prescribed under the Act and for which approval of the shareholders or Central Government is not obtained, if required to be obtained, the same shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

The Company shall not, in any case, waive the recovery of any such sum unless specific permission is obtained from Central Government for waiving such excess payment.

II. KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT

For the purpose of this Policy, Key Managerial Personnel (KMP) includes Chief Executive Officer, Manager, Chief Financial Officer and Company Secretary and such other officers as may be prescribed under the Act from time to time, but shall not include members of the Board of Directors.

The Company shall issue an appointment letter to every KMP to be signed by such director as may be authorised by the Board. The letter shall detail the job profile, duties, remuneration, other benefits and other terms and conditions.

The Company shall issue an appointment letter to every Senior Management Personnel (SMP) to be signed by such director as may be authorised by the Board or any KMP. The letter shall provide details of the job profile, duties, remuneration package and other terms and conditions.

SMP means personnel of the Company who are members of its core management team excluding Board of Directors comprising of all members of management one level below the Executive Directors, if any, including the functional heads.

The remuneration components may include :

a. Fixed salary :

Each KMP / SMP shall be paid fixed salary consisting of basic salary and such allowances and perquisites as per service rules of the Company. The band of the salary shall be determined according to the industry standards, market conditions, scale of the Company's business relating to the position, educational qualification parameters and personal experience in the industry as detailed in the service rules of the Company and such other factors as may be prescribed therein.

The same shall be reviewed annually based on the Company's annual appraisal policy.

b. Variable pay :

Variable pay to every KMP/SMP shall be as per the Performance Linked Pay Scheme of the Company, which is designed to bring about increase in overall organizational effectiveness through alignment in the objectives of the Company and the Individual.

The variable pay shall be payable based on absolute & relative performance of the Company and Business Units. The performance will be measured on the basis of contribution made by the respective Business Unit to the Company. The weightage of the same will be as per Company policy which may be reviewed by the N&RC in each case before the beginning of the each financial year.

The entitlement as per the Performance Linked Variable Pay Scheme shall be disclosed in the appointment letter. The particulars of the payment shall be communicated to the concerned in his / her salary slip relevant for the month in which the variable pay is paid.

c. Perquisites / Other Benefits :

Perquisites / Other Benefits to KMP / SMP may include a Company provided car, petrol reimbursement, vehicle maintenance, telephone, reimbursement of mobile phone bill and reimbursement of medical expenditure for self and family as per Company Policy.

KMP / SMP may be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance etc. as per Company policy.

d. Annual Pay Revision / Promotion

There are Key Result Areas which will be set in the beginning of the year and the performance appraisal shall be done in the format provided by the Human Resource Department (HR). Based on this annual pay revision and/or promotion will be decided.

e. Stock options :

To motivate executives to pursue long term growth and objectives of the Company, the N&RC may nominate KMP / SMP for receiving stock options on the basis of the eligibility criterion of any scheme of stock options, if any, declared in the future by the Company or existing or future scheme of its holding company, to be approved by the Board or Committee thereof of its holding company.

f. Compensation for loss of office may be paid as may be set out in the appointment letter.

g. Separation / Retirement benefits:

Separation/ retirement benefits as per Company policy which shall include contribution to provident fund, superannuation, gratuity and leave encashment.

h. Retention Bonus

Senior Management Personnel may be entitled to retention bonus based on the industry standards, market conditions, and scale of Company's business relating to the position, educational qualification parameters and personal experience in the industry.

DIRECTORS' & OFFICERS' LIABILITY INSURANCE :

The Company may take Directors' & Officers' liability insurance or such insurance of like nature for indemnifying any of the Directors or its KMP against any liability in respect of any negligence, default, misfeasance, breach of duty or trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of remuneration payable to such personnel. Provided that if such person is proved to be guilty, the premium paid shall be treated as part of remuneration.

CONSULTANTS & ADVISORS :

The N&RC may take services of such consultants & advisors as may be required to assist in determination of optimum remuneration structure and evaluation of the same for the Company's Directors, KMPs and senior management and shall have the authority to approve the fees payable to such consultants & advisors.

The N&RC shall have access to data of the Company relating to annual operating plan, management & leadership programs, employee survey, initiatives, operational reviews for purpose of undertaking their terms of reference and providing such recommendations as are required under the policy and take such assistance from the Head of the Human Resource Department as may be required for assessing the effectiveness and performance of any employee covered under the policy.

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune
Date: April 16, 2015

J. R. Sapre
Chairman
(DIN 00155251)

ANNEXURE - III

The Report on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as per Rule 8 (3) of the Companies (Accounts) Rules, 2014 :

(A) CONSERVATION OF ENERGY :

(i) The steps taken or impact on conservation of energy

We have maintained our plant power factor at unity i.e. one.

(ii) The steps taken by the Company for utilizing alternate sources of energy

- We have replaced LDO to HSD. Planning to replace HSD by Compressed Bio Gas
- H. T. furnace rectifies to low - leakage to improve heat efficiency by 15%
- Induction furnace melting cycle improvised with reduction of power consumption by 5%

(iii) The capital investment on energy conservation equipments: Nil

(B) TECHNOLOGY ABSORPTION :

(i) The efforts made towards technology absorption:

Secondary refining of Steel has been introduced by the application of AOD Furnace and Laddle Refining Furnace to improve basic casting quality.

(ii) Benefits derived:

The benefits derived as a result of introduction of AOD Furnace are very positive and the benefits derived as a result of Laddle Refining Furnace are in process.

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): Not Applicable

- (a) the details of technology imported: NA
- (b) the year of import: NA
- (c) Whether the technology been fully absorbed: NA
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA

(iv) Expenditure incurred on Research and Development: Nil

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO : Nil

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KOLHAPUR STEEL LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

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

Emphasis of Matter

We draw attention to the following matter in the Notes to the financial statements:

The Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss/net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note C-12, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2015, ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company. However, the Company, with support of the Holding Company, are making efforts for revival as enumerated in Note C-12.
 - f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note C-1 (A) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Nikhil M Shevade
Partner
Membership No. 217379

Place : Pune
Date : 16th April 2015

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.
- 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 followed for physical verification by management are reasonable and adequate in relation to size of company and nature of its business.
- (c) The company is maintaining proper records of inventory. Discrepancies between the physical stock and the book records noticed on verification were properly dealt with in the books of accounts.
- iii. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the reporting under Clause 3 (iii) (a) and (b) of the Companies (Auditor's report) Order, 2015, is not applicable to the Company.
- iv. In our opinion and according to the information given to us, there were adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in internal control system.
- v. According to information and explanation given to us, the Company has not accepted any deposits from public, accordingly the reporting under Clause 3 (v) of the Companies (Auditor's report) Order, 2015, is not applicable to the Company.
- vi. We have broadly reviewed the books of accounts and records maintained by the Company relating to manufacture of steel and alloy castings pursuant to the rules made by Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. (a) According to information and explanation given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it, other than those mentioned below:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates
Central Sales Tax Act, 1956	Central Sales Tax	55,131	2009-10

- (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)	Period to which the amount relates	Forum where dispute is pending
Central Excise Duty	1,092,474	1986-87 & 2002-03	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

- (c) The amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within time.
- viii. The Company has a negative net worth at the end of the financial year. The Company has incurred cash losses during the current year amounting to Rs. 807.07 lakh and in the immediately preceding financial year, cash loss of Rs. 1448.10 lakh.
- ix. According to the information and explanations given to us, the Company has neither issued any debentures nor has any borrowings from any financial institutions or banks. Accordingly the reporting under Clause 3 (ix) of the Companies (Auditor's report) Order, 2015, is not applicable to the Company.
- x. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions, accordingly the reporting under Clause 3 (x) of the Companies (Auditor's report) Order, 2015, is not applicable to the Company.
- xi. According to information and explanation given to us, the Company does not have any term loans, accordingly the reporting under clause 3(xi) of the Companies (Auditor's report) Order, 2015, is not applicable to the Company.
- xii. According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Place : Pune
Date : 16th April, 2015

Nikhil M Shevade
Partner
Membership No. 217379

BALANCE SHEET AS AT MARCH 31, 2015

(Amount in Rupees)				
	Particulars	Note No.	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	A-1	167,001,563	17,001,563
	(b) Reserves and surplus	A-2	(203,818,804)	(104,813,007)
			(36,817,241)	(87,811,444)
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long- term borrowings		-	-
	(b) Deferred tax liabilities (net)	A-3	-	2,217,546
	(c) Other long term liabilities		-	-
	(d) Long term provisions	A-4	32,055,809	26,877,214
			32,055,809	29,094,760
4	Current liabilities			
	(a) Short - term borrowings	A-5	136,949,759	59,467,379
	(b) Trade payables	A-6	67,317,007	64,367,717
	(c) Other current liabilities	A-7	43,494,202	110,308,012
	(d) Short-term provisions	A-8	11,989,430	9,914,155
			259,750,398	244,057,262
	TOTAL		254,988,966	185,340,578
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	A-9	84,803,155	99,359,959
	(ii) Intangible assets	A-9	469,554	142,668
	(iii) Capital work-in-progress		41,637,831	-
	(iv) Intangible assets under development	-	-	-
	(b) Non-current investments	-	-	-
	(c) Deferred tax assets (net)	A-3	7,635,886	-
	(d) Long-term loans and advances	A-10	7,916,063	-
	(e) Other non-current assets	A-11	350,000	350,000
			142,812,489	99,852,627
2	Current Assets			
	(a) Current investments		-	-
	(b) Inventories	A-12	62,535,385	60,316,158
	(c) Trade receivables	A-13	35,008,332	15,564,705
	(d) Cash and bank balances	A-14	828,265	827,488
	(e) Short-term loans and advances	A-15	10,804,495	8,760,029
	(f) Other current assets	A-16	3,000,000	19,571
			112,176,477	85,487,951
	TOTAL		254,988,966	185,340,578

Notes to accounts

Part- B & C

The notes referred to above and accompanying notes form an integral part of the Balance Sheet.

As per our report of even date attached

For and on behalf of the Board of Directors

For M/s. P. G. Bhagwat
Chartered Accountants

J. R. SAPRE
Chairman
(DIN 00155251)

E. V. BACHUTE
Director
(DIN 06604325)

NIKHIL M. SHEVADE
Partner
Membership No. 217379

D. N. KATTI
Chief Financial Officer

Pune : April 16, 2015

Pune : April 16, 2015

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

(Amount in Rupees)				
	Particulars	Note No.	Figures for the Current reporting period ending on March 31, 2015	Figures for the Previous reporting period ending on March 31, 2014
I.	Revenue from operations		342,497,352	247,287,904
	Less: Excise duty		40,750,460	26,686,561
		A-17	301,746,892	220,601,343
II.	Other Income	A-18	12,431,352	4,965,310
III.	Total Revenue (I + II)		314,178,244	225,566,653
IV.	Expenses :			
	Cost of materials consumed	A-19	229,280,452	157,201,209
	Purchases of Stock-in-Trade		463,500	1,211,609
	"Changes in inventories of finished goods, work-in-progress and Stock-in-Trade"	A-19	(9,676,884)	44,160,541
	Employee benefit expenses	A-20	91,866,467	96,097,352
	Finance Costs	A-21	11,642,808	4,253,657
	Depreciation and amortization expenses	A-9	13,397,311	8,040,781
	Other expenses	A-22	78,958,764	68,308,110
	Total expenses		415,932,418	379,273,260
V.	Profit / (Loss) before extraordinary items		(101,754,174)	(153,706,607)
VI.	Extraordinary items		-	-
VII.	Profit / (Loss) before tax (V- VI)		(101,754,174)	(153,706,607)
VIII.	Tax expenses			
	(1) Current tax		11,322	(137,898)
	(2) Deferred tax	A-23	(7,661,467)	(96,628)
IX.	Profit / (Loss) after tax (VII-VIII)		(94,104,029)	(153,472,081)
	Earning Per Share -			
	(1) Basic		(6.17)	(9.02)
	(2) Diluted		(6.17)	(9.02)

Notes to accounts

Part- B & C

The notes referred to above and accompanying notes form an integral part of the profit and loss statement.

As per our report of even date attached

For M/s. P. G. Bhagwat
Chartered Accountants

NIKHIL M. SHEVADE
Partner
Membership No. 217379

Pune : April 16, 2015

For and on behalf of the Board of Directors

J. R. SAPRE
Chairman
(DIN 00155251)

E. V. BACHUTE
Director
(DIN 06604325)

D. N. KATTI
Chief Financial Officer

Pune : April 16, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rupees)			
	Particulars	Figures for Current reporting period ending on March 31, 2015	Figures for Current reporting period ending on March 31, 2014
A	Cash flows from operating activities		
	Net profit before taxes and extraordinary items	(101,754,174)	(153,706,607)
	Adjustments for :-		
1	Depreciation	13,397,311	8,040,781
2	Diminution in value of Asset held for disposal	2,842,776	-
3	(Profit)/Loss on sale of fixed assets	-	(18,851)
4	Assets written off	-	856,015
5	Interest income	(43,365)	(36,677)
6	Interest expenses	11,642,808	4,253,658
	Operating profits before working capital changes	(73,914,644)	(140,611,681)
	Adjustments for :-		
1	(Increase)/decrease in trade and other receivables	(26,003,682)	136,038,973
2	(Increase)/decrease in inventories	(2,219,226)	41,997,344
3	Increase/(decrease) in trade payables	(56,606,417)	(48,010,534)
4	Cash generated from operations	(158,743,969)	(10,585,898)
5	Income tax paid	1,523,837	1,606,377
	Net cash from operating activities	(157,220,132)	(8,979,521)
B	Cash flows from investing activities		
1	Purchase of fixed assets	(53,741,731)	(1,502,765)
2	Advance for purchase of fixed assets	(7,916,063)	-
3	Proceeds from sale of other fixed assets	3,000,000	83,000
4	Increase/(decrease) in fixed deposits	-	396,149
5	Interest received	43,365	36,677
	Net cash from investing activities	(58,614,429)	(986,939)
C	Cash flows from financing activities		
1	Proceeds from issuance of share capital	150,000,000	-
2	Proceeds from Unsecured loan	50,000,000	19,340,394
3	Repayment/proceed of/from other borrowings (net)	27,482,380	-
4	Interest paid	(11,642,808)	(4,253,658)
5	Dividend and Dividend distribution tax	(4,234)	(4,939,563)
	Net cash used in financing activities	215,835,338	10,147,173
	Net increase in cash and cash equivalents	777	180,713
1	Cash and cash equivalents at beginning of period (refer note part A-14)	827,488	646,775
2	Cash and cash equivalents at the end of period (refer note part A-14)	828,265	827,488

As per our report of even date attached

For M/s. P. G. Bhagwat
Chartered Accountants

NIKHIL M. SHEVADE
Partner
Membership No. 217379

Pune : April 16, 2015

For and on behalf of the Board of Directors

J. R. SAPRE
Chairman
(DIN 00155251)

E. V. BACHUTE
Director
(DIN 06604325)

D. N. KATTI
Chief Financial Officer

Pune : April 16, 2015

NOTES TO ACCOUNTS - PART A

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-1		
Share Capital		
Authorised Capital		
150,000,000 Equity Shares of Re.1/- each (Previous Year 300,000,000/- of Re.1/- each)	150,000,000	300,000,000
Preference Share Capital 15,000,000 Preference Shares of Rs. 10/- each (Previous Year Nil)	150,000,000	-
TOTAL	300,000,000	300,000,000
Issued, Subscribed and Fully Paid-up		
17,000,000 Equity Shares of Re. 1/- each (Previous Year 17,000,000 Equity Shares of Re.1/- each)	17,000,000	17,000,000
15,000,000 6% Cumulative Non-Convertible Preference Shares of Rs. 10/- each (Previous Year Nil)	150,000,000	-
Forfeited Shares	1,563	1,563
TOTAL	167,001,563	17,001,563

A. Reconciliation of equity shares outstanding at the beginning and at the end of reporting period

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015		Figures as at the end of Previous reporting period ending on March 31, 2014	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	17,000,000	17,000,000	17,000,000	17,000,000
Shares issued during the year	-	-	-	-
Reduction in Share capital	-	-	-	-
Shares outstanding at the end of the year	17,000,000	17,000,000	17,000,000	17,000,000

B. Reconciliation of preference shares outstanding at the beginning and at the end of reporting period

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015		Figures as at the end of Previous reporting period ending on March 31, 2014	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	-	-	-	-
Shares issued during the year	15,000,000	150,000,000	-	-
Reduction in Share capital	-	-	-	-
Shares outstanding at the end of the year	15,000,000	150,000,000	-	-

C. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Re.1/- per share. Each holder of equity shares is entitled to 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 the liquidation of company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO ACCOUNTS - PART A (Continued)

D. Terms/rights attached to preference shares

15,000,000 Preference Shares of Rs. 10/-each

The 6% Cumulative Non - Convertible Redeemable Preference Shares are issued subject to the following conditions:

- The shares shall carry preferential rights towards payment of dividend vis-a-vis equity shares at a fixed rate of 6% payable out of the distributable profits as determined by the Board of Directors on the fully paid amount of the shares;
- The shares shall not carry any rights in participation of surplus funds;
- The shares shall, in the event of winding up, carry preferential right to payment of such capital as has been paid up on the shares and all arrears of fixed dividend accrued upto the commencement of the winding up (whether earned or declared) in priority to the equity shares but shall not confer the right to any further participation in profits or assets;
- The shares are redeemable along with arrears of dividend till the date of redemption at any time after completion of 4 (four) years from the date of the allotment, at the option of the Company, upon giving the holders of the shares not less than 15 (fifteen) days previous notice in writing. The maximum tenure of shares is 7 (seven) years from the date of the allotment.

E. Shares held by Holding company

Name of the Share Holder	Figures as at the end of Current reporting period ending on March 31, 2015		Figures as at the end of Previous reporting period ending on March 31, 2014	
	No. of shares held by Holding Company	Total number of shares	No. of shares held by Holding Company	Total number of shares
Equity share capital Kirloskar Brothers Ltd.	16,314,315	17,000,000	16,313,718	17,000,000
Preference share capital Kirloskar Brothers Ltd.	15,000,000	15,000,000	-	-

F. Details of shareholders holding more than 5% shares in the company

Name of the Share Holder	Figures as at the end of Current reporting period ending on March 31, 2015		Figures as at the end of Previous reporting period ending on March 31, 2014	
	No. of shares	% Holding	No. of shares	% Holding
Equity share capital Kirloskar Brothers Ltd.	16,314,315	95.97	16,313,718	95.96
Preference share capital Kirloskar Brothers Ltd.	15,000,000	100.00	-	-

NOTES TO ACCOUNTS - PART A (Continued)

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-2		
Reserves & Surplus		
(a) Securities Premium Reserve		
Opening balance	2,523,555	2,523,555
Add : Securities premium credited on share issue	-	-
Closing balance	2,523,555	2,523,555
(b) General Reserve		
Opening balance	12,729,565	12,729,565
Less: Transitional adjustment of Depreciation as per Schedule II (Net of Tax)	4,901,768	-
Add : Transfer from Surplus	-	-
Closing balance	7,827,797	12,729,565
(c) Surplus		
Opening balance	(120,066,127)	33,405,954
Add : Net Profit/(Net Loss) for the current year	(94,104,029)	(153,472,081)
Balance available for appropriation	(214,170,156)	
Less : Appropriations	-	-
Proposed dividend	-	-
Dividend distribution tax	-	-
Transfer to general reserve	-	-
Closing balance	(214,170,156)	(120,066,127)
TOTAL	(203,818,804)	(104,813,007)

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-3		
Deferred Tax Liabilities / (Assets) (net)		
(a) Deferred Tax Liabilities		
i) On depreciation / amortisation of fixed assets	6,788,362	11,066,817
TOTAL	6,788,362	11,066,817
(b) Deferred Tax Assets		
i) On provision for doubtful debts / advances	143,534	-
ii) On disallowance as per Income Tax Act, 1961	14,263,719	8,849,271
iii) On other timing differences	16,995	-
TOTAL	14,424,248	8,849,271
TOTAL	(7,635,886)	2,217,546

NOTES TO ACCOUNTS - PART A (Continued)

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-4		
Long Term Provisions		
(a) Provision for employees benefits (Unfunded)		
i) Gratuity	28,361,041	23,819,122
ii) Leave encashment	3,694,768	3,058,092
TOTAL	32,055,809	26,877,214

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-5		
Short Term Borrowings		
Secured		
(a) Loans repayable on demand from banks		
Working Capital loan repayable on demand (secured against hypothecation of stock & receivables and mortgage of plant & machinery) Terms of Loan: Loan carries interest @ BBR + 200 bps	36,949,759	9,467,379
Unsecured		
(a) Inter-Corporate Deposit (ICD)	100,000,000	50,000,000
Terms of Loan: Loan carries interest @ 10% p.a.		
TOTAL	136,949,759	59,467,379

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-6		
Trade Payables		
(a) For goods, services and advances (refer note part C-8)		
(i) Total outstanding dues of creditors other than MSME	64,455,296	64,367,717
(ii) Micro, small and medium enterprises	2,861,711	-
TOTAL	67,317,007	64,367,717

NOTES TO ACCOUNTS - PART A (Continued)

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-7		
Other Current Liabilities		
(a) Current maturities of long term debt		
(i) Inter Corporate deposit from Holding Company	13,214,020	13,214,020
(b) Interest payable on Inter-Corporate Deposit	-	221,917
(c) Investor Education and Protection Fund (will be credited by following amounts as and when due):		
(i) Unpaid Dividends	593,024	597,258
(d) Other payables		
(i) Advance from customers	1,981,525	70,487,698
(ii) Security deposits	42,709	40,304
(iii) Salary & reimbursements	10,015,938	16,159,640
(iv) Contribution to PF & other funds	1,074,226	955,773
(v) Statutory dues	650,974	473,673
(vi) Payables on account of purchases of fixed assets	6,782,334	61,920
(vii) Provision and payables on expenses	9,139,452	8,095,809
TOTAL	43,494,202	110,308,012

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-8		
Short Term Provisions		
(a) Provision For Employee Benefits		
(i) Gratuity	6,337,933	5,225,424
(ii) Leave Encashment	4,658,497	3,620,731
(b) Others		
(i) Proposed Dividend	-	-
(ii) Dividend Distribution Tax	-	-
(iii) Provision for warranty	993,000	1,068,000
TOTAL	11,989,430	9,914,155

NOTES TO ACCOUNTS - PART A (Continued)

Note : A-9

Tangible and Intangible Assets

(Amount in Rupees)

Particulars	Tangible Assets							Intangible Assets	
	Land Free hold	Buildings	Electrical Installation	Plant & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total	Computer Softwares
Gross Block									
At 01.04.2013	11,797,608	34,048,802	511,988	123,952,832	414,110	2,646,094	2,188,817	175,560,251	3,110,099
Additions	-	838,665	-	664,100	-	-	-	1,502,765	-
Disposals	-	-	-	3,665,910	62,474	-	-	3,728,384	-
As at 31.03.2014	11,797,608	34,887,467	511,988	120,951,022	351,636	2,646,094	2,188,817	173,334,632	3,110,099
Additions	-	1,077,113	96,000	10,115,915	-	194,035	-	11,483,063	620,837
Disposals	-	-	-	8,560,294	-	-	-	8,560,294	-
Machine transferred to Assets held for disposal	-	-	-	-	-	-	-	-	-
As at 31.03.2015	11,797,608	35,964,580	607,988	122,506,643	351,636	2,840,129	2,188,817	176,257,401	3,730,936
Depreciation/ Amortisation									
At 01.04.2013	-	9,987,196	464,266	55,659,731	296,512	1,819,332	620,175	68,847,212	2,862,331
Charge for the year	-	822,574	1,528	6,803,526	6,151	93,965	207,937	7,935,681	105,100
Depreciation on disposal	-	-	-	2,804,266	3,955	-	-	2,808,221	-
At 31.03.2014	-	10,809,770	465,794	59,658,991	298,708	1,913,298	828,112	73,974,672	2,967,431
Depreciation as per rate revision impact transferred to Retained Earnings	-	1,317,872	44,699	5,284,168	6,577	411,417	-	7,064,733	29,000
Charge for the year	-	1,672,288	8,227	10,819,660	31,212	255,128	345,844	13,132,359	264,951
Depreciation on disposal	-	-	-	-	-	-	-	-	-
Depreciation on Machine transferred to Asset held for disposal	-	-	-	2,717,518	-	-	-	2,717,518	-
At 31.03.2015	-	13,799,930	518,720	73,045,301	336,497	2,579,843	1,173,956	91,454,246	3,261,382
At 31.03.2014	11,797,608	24,077,697	46,194	61,292,031	52,928	732,796	1,360,705	99,359,959	142,668
At 31.03.2015	11,797,608	22,164,650	89,268	49,461,342	15,139	260,286	1,014,861	84,803,155	469,554

NOTES TO ACCOUNTS - PART A (Continued)

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-10		
Long Term Loans And Advances		
(a) Advance to others		
Doubtful	163,124	-
Less: Provision for Doubtful Advances	163,124	-
	-	-
(b) Capital advance		
Unsecured, considered good	7,916,063	-
TOTAL	7,916,063	-

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-11		
Other Non-Current Assets		
(a) Others		
(i) Fixed deposits with bank having maturity of more than 12 months		
Unsecured, considered good	350,000	350,000
TOTAL	350,000	350,000

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-12		
Inventories		
(a) Raw Materials	16,184,216	28,412,518
(b) Work-in-progress		
Castings	21,800,086	11,303,046
(c) Finished goods		
Castings	6,624,513	7,466,669
(d) Stock-in-trade (refer note part C-4)	32,000	10,000
(e) Stores and spares	17,894,570	13,123,926
Mode of valuation (refer note part B-7)		
TOTAL	62,535,385	60,316,158

NOTES TO ACCOUNTS - PART A (Continued)

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-13		
Trade receivables		
(a) Trade receivables outstanding for a period exceeding six months		
(i) Unsecured considered good	94,989	101,455
(ii) Doubtful	301,387	-
(iii) Less: Provision for doubtful receivables	301,387	-
	94,989	101,455
(b) Trade receivables outstanding for a period less than six months		
(i) Unsecured considered good	34,913,343	15,463,250
TOTAL	35,008,332	15,564,705

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-14		
Cash & Bank Balances		
(a) Cash and Cash Equivalents		
(i) Cash on hand	68,399	69,956
(ii) Balances with banks	54,962	56,423
(iii) Earmarked balances with banks		
Unpaid dividend accounts	593,024	597,258
(iv) Fixed deposits with bank having maturity of less than 3 months	111,880	103,851
TOTAL	828,265	827,488

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-15		
Short term loans and advances		
(a) Others		
Unsecured, considered good		
(i) Salary advances to employees	8,680	22,858
(ii) Advances to suppliers	204,505	294,230
(iii) Security deposits	101,268	105,608
(iv) Prepaid expenses	2,121,805	324,929
(v) Sales tax receivable	3,947,549	3,286,430
(vi) Deposits and receivables from Excise, Service Tax	4,239,669	3,009,794
(vii) Advance income tax (net of provision for tax)	181,019	1,716,180
TOTAL	10,804,495	8,760,029

NOTES TO ACCOUNTS - PART A (Continued)

(Amount in Rupees)

Particulars	Figures as at the end of Current reporting period ending on March 31, 2015	Figures as at the end of Previous reporting period ending on March 31, 2014
Note : A-16		
Other Current Assets		
(a) Interest receivable	-	4,421
(b) Insurance claim receivable	-	15,150
(c) Asset held for disposal	3,000,000	-
TOTAL	3,000,000	19,571

(Amount in Rupees)

Particulars	Figures for the Current reporting period ending on March 31, 2015	Figures for the Previous reporting period ending on March 31, 2014
Note : A-17		
Revenue from operations		
Sale of products		
Castings	337,195,578	240,037,484
Less : Excise duty	40,750,460	26,686,561
	296,445,118	213,350,923
Sale of services	3,162,234	4,150,601
	299,607,352	217,501,524
Other operating revenue	2,139,540	3,099,819
TOTAL	301,746,892	220,601,343

(Amount in Rupees)

Particulars	Figures for the Current reporting period ending on March 31, 2015	Figures for the Previous reporting period ending on March 31, 2014
Note : A-18		
Other Income		
(a) Interest Income		
(i) From banks	43,365	36,677
(ii) From customers	165,704	-
(iii) From others	203,248	240,696
	412,317	277,373
(b) Other non-operating income		
(i) Weighing scale receipts	2,658,837	2,724,287
(ii) Profit on sale of fixed assets (net)	-	18,851
(iii) Disposal of stores material	344,026	571,376
(iv) Hall booking receipt	646,000	627,000
(v) Miscellaneous receipt	246,706	165,107
(vi) Sundry credit balances written back	182,952	397,887
(vii) Excess provision written back	7,940,514	143,826
(viii) Foreign exchange difference gain	-	39,603
TOTAL	12,431,352	4,965,310

NOTES TO ACCOUNTS - PART A (Continued)

(Amount in Rupees)

Particulars	Figures for the Current reporting period ending on March 31, 2015	Figures for the Previous reporting period ending on March 31, 2014
Note : A-19		
Cost of material consumed (refer note part C-2 & C-3)		
(a) Raw material consumed	127,097,752	62,688,732
(b) Stores & spares consumed	84,254,604	75,231,923
(c) Processing charges	17,928,096	19,280,554
	229,280,452	157,201,209
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock :		
Finished goods	7,466,669	22,356,772
Work-in-progress	11,303,046	37,913,484
Stock in trade	10,000	2,670,000
	18,779,715	62,940,256
Closing stock :		
Finished goods	6,624,513	7,466,669
Work-in-progress	21,800,086	11,303,046
Stock in trade	32,000	10,000
	28,456,599	18,779,715
	(9,676,884)	44,160,541

(Amount in Rupees)

Particulars	Figures for the Current reporting period ending on March 31, 2015	Figures for the Previous reporting period ending on March 31, 2014
Note : A-20		
Employee benefits expense		
(a) Salaries, wages and bonus	71,049,731	75,261,506
(b) Contribution to provident fund & other funds	5,514,639	5,325,655
(c) Gratuity	8,080,182	8,447,889
(d) Welfare expenses	7,221,915	7,062,302
TOTAL	91,866,467	96,097,352

(Amount in Rupees)

Particulars	Figures for the Current reporting period ending on March 31, 2015	Figures for the Previous reporting period ending on March 31, 2014
Note : A-21		
Finance Costs		
(a) Interest expense		
(i) Bank	2,141,003	3,836,219
(ii) Inter-Corporate deposit	9,246,575	246,575
(b) Other borrowing costs	255,230	170,864
TOTAL	11,642,808	4,253,657

NOTES TO ACCOUNTS - PART A (Continued)

(Amount in Rupees)

Particulars	Figures for the Current reporting period ending on March 31, 2015	Figures for the Previous reporting period ending on March 31, 2014
Note : A-22		
Other expenses		
(a) Power & fuel	55,721,827	45,995,423
(b) Repairs and maintenance		
(i) Plant and machinery	1,237,900	373,125
(ii) Buildings	305,730	36,915
(iii) Other	278,562	29,705
(c) Rent	18,000	54,000
(d) Rates and taxes	1,154,612	601,231
(e) Travel and conveyance	1,213,941	1,312,857
(f) Insurance	604,169	501,928
(g) Selling expenses	327,765	1,073,273
(h) Inward transportation	50,439	201,901
(i) Provision for product warranty	567,226	27,99,028
(j) Provision for doubtful debts, advances and claims	464,511	-
(k) Bad debts, advances and claims writtten off	946,257	713,574
(l) Payment to auditors, as:		
(i) auditor	550,000	550,000
(ii) for other services (Tax audit and other certification)	155,000	150,000
(iii) for reimbursement of expenses	2,726	58,688
(m) Legal expenses & consulting fees	6,025,426	2,750,305
(a) Watch and Ward expenses	2,029,318	1,328,023
(o) Loss on sale / disposal of fixed assets	-	856,015
(p) Casting late delivery charges	24,907	4,386,201
(q) Diminution in value of Asset held for disposal	2,842,776	-
(r) Other miscellaneous expenses	4,437,672	4,535,918
TOTAL	78,958,764	68,308,110

(Amount in Rupees)

Particulars	Figures for the Current reporting period ending on March 31, 2015	Figures for the Previous reporting period ending on March 31, 2014
Note : A-23		
Tax expenses		
Income tax for the year		
(a) Current	-	-
(b) Deferred	(7,661,467)	(96,628)
TOTAL	(7,661,467)	(96,628)

NOTES TO ACCOUNTS : PART B

Significant Accounting Policies

Corporate Information

The Kolhapur Steel Limited, a subsidiary company of Kirloskar Brothers Limited, established in the year 1965, is manufacturing Mild Steel and Stainless Steel castings for various industries, viz. Power sector, Pumps & Valve, Mining, Cement, Heavy engineering application, Sugar etc.

The Company has become a Sick Industrial Company within the meaning of clause (o), sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 and accordingly made a reference under sub-section (1) of Section 15 of the said Act to the Board of Industrial and Financial Reconstruction (BIFR) for determination of measures for revival of the Company.

B-1 Basis of Preparation

- a) The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with The Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013.
- b) The financial statements have been prepared under the historical cost convention on an accrual basis.
- c) The accounting policies applied by the Company are consistent with those used in the previous year.
- d) The financial statements have been prepared on a going concern basis.

B-2 Fixed Assets and Intangible Assets

- a) Fixed Assets other than 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 revalued amount.
- b) Intangible Assets are recorded at the consideration paid for acquisition.
- c) Impairment loss, if any, is recognized whenever the recoverable amount of an asset / cash generating unit is less than its carrying amount.

B-3 Depreciation and Amortization

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

The Company has aligned its depreciation policy in accordance with Schedule II to the Companies Act, 2013. Consequently, with effect from 01-04-2014,

- 1) the carrying value of assets is now depreciated over their remaining useful lives;
- 2) where the remaining useful life of an asset is Nil as on 01-04-2014, carrying value has been adjusted against opening reserves amounting to Rs. 4,901,768/- (net of tax), in accordance with transitional provisions of Schedule II; and
- 3) on account of above change, depreciation expense charged to Statement of Profit and Loss for the year ended 31st March 2015 is higher by Rs. 3,074,656/-.
- b) Depreciation on addition to assets or sale/disposal of assets is calculated pro rata from the date of such addition or up to the date of sale/disposal, as the case may be.
- c) Intangible Assets which consist of computer software is amortized on Straight Line Method over a period of three years.

NOTES TO ACCOUNTS : PART B (Continued)

B-4 Impairment Policy

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

B-5 Revenue Recognition

- a) Sale of products and services are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and when services are rendered.
- b) Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition is postponed to the extent of uncertainty involved. In such cases revenue is recognized only when it is reasonably certain that the ultimate collection will be made.
- c) Revenue in respect of insurance / other claims, interest, subsidy, etc., is recognized only when it is reasonably certain that the ultimate collection will be made.

B-6 Investments

Long term investments, if any, are carried at cost less provision for permanent diminution in value of such investments. Current investments are carried at lower of cost and fair value.

B-7 Inventories

a) Raw materials, stores and spares

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

b) Work-in-process

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

c) Finished goods

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

d) Patterns Held for Resale

The inventory of patterns purchased and held for sale is valued at lower of cost and net realizable value. The cost comprises of all the costs of purchases and other costs incurred in bringing the inventories to their present location and condition.

NOTES TO ACCOUNTS : PART B (Continued)

B-8 Foreign Currency Translation

- a) All foreign currency transaction are accounted for at the rates prevailing on the date of the transaction.
- b) 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 monetary items or on restatement of the same at the year end is adjusted to Profit and Loss Account.

B-9 Borrowing Costs

- a) Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.
- b) Other borrowing costs are recognized as an expense in the period in which they are incurred.

B-10 Employee Benefits

a) Defined Contribution Plans

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a predetermined rate. The contribution paid / payable under the scheme is recognized during the period in which the employees render the related service.

b) Defined Benefits Plans

Gratuity is accounted on the basis of actuarial valuation carried out as at Balance Sheet date. Actuarial gain/loss are recognized immediately in the statement of Profit and Loss Account as income or expenses. The method adopted for actuarial valuation is Projected Unit Credit Method. The Company has not funded the liability as on 31st March 2015.

c) Other long term employee benefits

Leave entitlement is charged to the Statement of 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. The Company has not funded the leave liability as on 31st March 2015.

B-11 Earnings per Share

a) Basic earnings per share

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

b) Diluted earnings per share

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

NOTES TO ACCOUNTS : PART B (Continued)

B-12 Taxes on Income

- a) 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.
- b) Deferred tax is recognized for all timing differences between the accounting income and taxable income for the year. The tax effect is calculated on the accumulated timing difference at the end of the accounting period based on prevailing enacted or substantially enacted regulations.
- c) Deferred tax is 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.

B-13 Provisions and Contingent Liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made.

Provision for warranty related costs are recognized when the product is sold. Provision is based on historical experience.

Contingent liability is disclosed in case of

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

Contingent assets are neither recognized, nor disclosed.

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

NOTES TO ACCOUNTS - PART C

C-1 Contingent Liabilities and Commitments (To the extent not provided for)

A. Contingent Liability

(Amount in Rupees)

Sr. No.	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
1.	Disputed Excise Duty Dues (Matter Subjudice)*	1,092,474	1,092,474

*Against these demands, an amount of Rs. 542,000/- (Previous year Rs. 542,000/-) has been paid under protest.

B. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances given) - Rs. 1,352,362/- (Previous year - Nil).

C-2 Details of raw material and components consumed

(Amount in Rupees)

Sr. No.	Raw Material	Year Ended March 31, 2015	Year Ended March 31, 2014
A.	M. S. Scrap	32,927,502	19,931,340
B.	S. S. Scrap	47,901,406	36,661,293
C.	Copper Scrap	1,193,796	1,162,178
D.	Pig Iron	975,675	1,591,961
E.	Others	44,099,373	3,341,960
	TOTAL	127,097,752	62,688,732

C-3 Value of Raw Material Consumed and Percentage thereof to the total consumption

(Amount in Rupees)

Sr. No.	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
A.	Imported		
	-Value	-	-
	-Percentage to Total Consumption	-	-
B.	Indigenous		
	-Value	127,097,752	62,688,732
	-Percentage to Total Consumption	100%	100%

NOTES TO ACCOUNTS - PART C (Continued)

C-4 Purchase and Sale of Stock in Trade

(Amount in Rupees)

Sr. No.	Particulars	2014-15 Purchases	2014-15 Sales	Closing inventory of trading goods	Opening inventory of trading goods
1	Patterns	463,500	563,000	32,000	10,000
		(1,201,609)	(2,463,807)	(10,000)	(2,670,000)
	TOTAL	463,500	563,000	32,000	10,000
		(1,201,609)	(2,463,807)	(10,000)	(2,670,000)

Figures in brackets indicates figures of previous year.

C-5 Expenditure in Foreign Currency

(Amount in Rupees)

Sr. No.	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
A.	Import of Silica Sand	-	1,529,098
B.	Other Expenses	-	-
	TOTAL	-	1,529,098

C-6 Details of provisions and movements in each class of provision - Disclosure as per Accounting Standard 29 'Provisions, Contingent Liabilities and Contingent Assets'

(Amount in Rupees)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Carrying amount at the beginning of the year: Warranty	1,068,000	-
Additional provision made during the year: Warranty	658,126	1,068,000
Amount used during the year: Warranty	733,126	-
Unused amounts reversed during the year: Warranty	-	-
Carrying amount at the end of the year: Warranty	993,000	1,068,000

C-7 The Company is primarily engaged in the business of Steel and Alloy casting. Further, the Company does not have any separate geographic segments. As such, there are no separate reportable segments as per AS -17 'Segment Reporting' notified under Companies Accounting Standard Rules, 2006.

NOTES TO ACCOUNTS - PART C (Continued)

- C-8** The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2015 are as under:

(Amount in Rupees)			
Sr. No.	Description	Year Ended March 31, 2015	Year Ended March 31, 2014
A.	The principal amount remaining unpaid to supplier as at the end of the year	2,861,711	-
B.	The interest due thereon remaining unpaid to supplier as at the end of the year	137,453	-
C.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
D.	The amount of interest accrued during the year and remaining unpaid at the end of the year	137,453	-

C-9 EarningsPer Share (EPS):

EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

(Amount in Rupees)		
Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Net Profit / (Loss) for the Year	(94,104,029)	(153,472,081)
Less: Dividend on 6% Cumulative Preference Shares	9,000,000	-
Dividend Distribution Tax thereon (Grossed Up)	1,842,300	-
Profit / (Loss) attributable to equity shareholders	(104,946,329)	(153,472,081)
Weighted average number of Equity shares outstanding	17,000,000	17,000,000
Earnings Per Share (Rs.) - Basic and Diluted Face value of Re.1/- per share (Previous Year Re.1/- per share)	(6.17)	(9.03)

NOTES TO ACCOUNTS - PART C (Continued)

C-10 Related Party Disclosure:

Key Managerial Personnel:

As per Accounting Standard 18 'Related Party Disclosures', the disclosures of related parties as defined in the Accounting Standard are given below:

A) Name of related party and nature of relationship where control (including common control) exists:

Sr. No.	Name of the Related Party	Relationship
1	Kirloskar Brothers Limited	Holding Company
2	Karad Project & Motors Limited	Fellow Subsidiary
3	Kirloskar Systech Limited	Fellow Subsidiary
4	Kirloskar Corrocoat Private Limited	Fellow Subsidiary
5	Kirloskar Brothers International B.V.	Fellow Subsidiary
6	Micawber 784 (Proprietary) Limited	Subsidiary Of Kirloskar Brothers International B.V.
7	Kirloskar Brothers (Thailand) Limited	Subsidiary Of Kirloskar Brothers International B.V.
8	SPP Pumps Limited	Subsidiary Of Kirloskar Brothers International B.V.
9	Kirloskar Brothers Europe B.V.	Subsidiary Of Kirloskar Brothers International B.V.
10	SPP Pumps (MENA) LLC	Subsidiary Of Kirloskar Brothers International B.V.
11	SPP Pumps France EURL	Subsidiary Of SPP Pumps Limited
12	SPP France SAS	Subsidiary Of SPP Pumps Limited
13	Certified Engines Limited	Subsidiary Of SPP Pumps Limited
14	SPP Pumps (South Africa) (Pty.) Limited	Subsidiary Of SPP Pumps Limited
15	SPP Pumps Holdings LLC	Subsidiary Of SPP Pumps Limited
16	SPP Pumps Management LLC	Subsidiary Of SPP Pumps Limited
17	Braybar Pumps (Proprietary) Limited	Subsidiary Of Micawber 784 (Proprietary) Limited
18	SPP Pumps LP (doing business as SPP Pumps Inc.)	Owned by Patnership firm of SPP Pumps Holding LLC and SPP Pumps Management LLC
19	SPP Pumps Real Estate LLC	Owned by SPP Pumps LP
20	SyncroFlo Inc.	Owned by SPP Pumps LP

B) Names of related party with whom transactions have been entered into:

Key Management Personnel		
1	Mr. Basant K. Grover	Chief Executive Officer - From 4th January, 2014 onwards
2	Mr. Dhananjay Katti	Chief Financial Officer - From 25th February, 2015 onwards.
3	Mr. Sambhaji V. Yesugade	Chief Executive Officer - upto 31st August, 2013
4	Mr. Sadanand Pose	Chief Executive Officer - From 1st September, 2013 to 3rd January, 2014

NOTES TO ACCOUNTS - PART C (Continued)

C) Details of Transactions with Related Parties:

(Amount in Rupees)

Sr. No.	Particulars	Holding Company		Fellow Subsidiary		Key Management Personnel	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
1	Purchase Of goods	10,465,350	-	-	527,185	-	-
2	Sales of goods	159,769,838	166,437,033	-	-	-	-
3	Rendering of services	-	966,413	-	-	-	-
4	Management Contracts including for deputation of employees	-	880,662	-	-	-	-
5	Expenditure						
	a) Remuneration paid	-	-	-	-	2,001,044**	2,499,940**
	b) Receiving of services	-	198,795	-	-	-	-
	c) Dividend Paid	-	4,078,161	-	-	-	-
	d) Reimbursement of expenses	54,922	155,048	-	7,624	-	-
6	Repayment of Loan	-	2,500,000	-	-	-	-
7	Balance Outstanding at the year end						
	Equity Share Capital	16,314,315	16,313,718	-	-	-	-
	Preference Share Capital	150,000,000	-	-	-	-	-
	Interest Free Unsecured Loan payable	13,214,020	13,214,020	-	-	-	-
	Trade Receivables (Net)	21,023,138	-	-	-	-	-
	Trade Payable (Net)	-	-	-	220,272	-	-
	Other Payable	-	47,580,302	-	-	230,719	197,812

**

(Amount in Rupees)

Sr. No.	Name Of Key Managerial Personnel	Total Remuneration	
		2014-15	2013-14
1	Mr. Sambhaji V. Yesugade	-	1,262,789
2	Mr. Basant Grover	1,929,629	648,164
3	Mr. Sadanand Pose	-	588,987
4	Mr. Dhananjay Katti	71,415	-
	TOTAL	2,001,044	2,499,940

NOTES TO ACCOUNTS - PART C (Continued)

C-11 Employment benefits:

A) Defined Contribution Plan

(Amount in Rupees)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Employer's Contribution to Provident Fund	5,059,435	4,872,578

B) Defined Benefit plan

The Company provides for gratuity and leave expenses on the basis of actuarial valuation. The Company does not have any fund for Gratuity liability and the same is accounted for as provision.

(i) Expenses recognized in the Profit and Loss Account:

(Amount in Rupees)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Current Service Cost	2,150,791	1,793,669
Interest Cost on benefit obligation	2,532,682	1,757,900
Actuarial (Gain) / Loss	3,396,709	4,896,320
Past Service Cost	-	-
Net Expense	8,080,182	8,447,889

(ii) Net Asset / (Liability) recognized in the Balance Sheet:

(Amount in Rupees)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Defined Benefit obligation	34,698,974	29,044,546
Fair value of planned assets	-	-
Less: Unrecognized past service cost	-	-
Net Assets / (Liabilities)	34,698,974	29,044,546

(iii) Changes in present value of Defined benefit obligation are as follows:

(Amount in Rupees)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Present value of obligation at the start of the year	29,044,546	23,350,854
Current service cost	2,150,791	1,793,669
Interest cost	2,532,682	1,757,900
Benefits paid	(2,425,754)	(2,754,197)
Actuarial gain / (loss) on obligations	3,396,709	4,896,320
Present value of obligation at the End of the year	34,698,974	29,044,546

NOTES TO ACCOUNTS - PART C (Continued)

(iv) The principal actuarial assumptions used in determining gratuity are shown below.

(Amount in Rupees)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Discount Rate	7.80%	9.10%
Rate of return on plan Assets	N.A.	N.A.
Salary Escalation per annum	10.00%	10.00%
Employee Turnover	6.00%	6.00%

(v) Amounts for current and previous two periods are as follows:

(Amount in Rupees)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Defined benefit obligation	34,698,974	29,044,546	23,350,854
Plan Asset	-	-	-
Surplus / (Deficit)	(34,698,974)	(29,044,546)	(23,350,854)
Experience adjustment on plan liabilities / Assets	(780,201)	(152,153)	(368,948)

C-12 The Company has turned Sick Industrial Company due to negative net worth on basis of financials for the year ending 31st March 2014. The reasons for sickness are poor utilization of available resources, process obsolescence, quality issues and the resultant sales returns, poor cash generation and overdue creditors, unbalanced foundry infrastructure resulting in poor productivity and other controllable factors. Although the Company improved its operating revenue over the previous year, the results finally turned out to be negative and continues to show negative net worth as on 31st March 2015. The Holding Company is committed to support the Subsidiary's operations and infused money by way of preference shares to reduce the negative net worth. To achieve the turnover as planned for revival, the Company's foundry has taken initiatives under "Project Parivartan", based on two objectives:

- To capture business plan from new potential customers for making heavy castings by increasing molten metal capacity and process upgradation in all functions of foundry.
- To focus on customer complaints to address quality related issues, rework and quality loss due to more upgradation.

Further to reduce both internal and external rejection and also to reduce cost of quality, the Company's foundry processes are mapped for upgradation in all work functions of foundry.

Based on above steps taken, the Company, with support of Holding Company, expects to turn itself around and revive.

The Financial Statements of the Company continue to be prepared on a "Going Concern Basis".

C-13 Figures of the previous year have been regrouped wherever necessary.

As per our report of even date attached

For M/s. P. G. Bhagwat
Chartered Accountants

NIKHIL M. SHEVADE
Partner
Membership No. 217379

Pune : April 16, 2015

For and on behalf of the Board of Directors

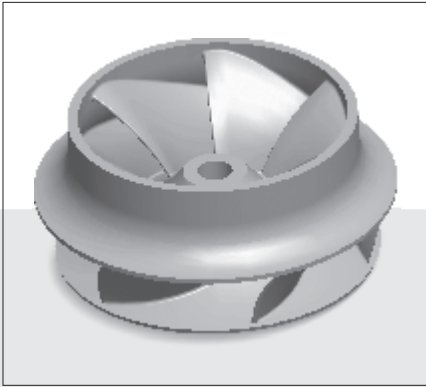
J. R. SAPRE
Chairman
(DIN 00155251)

E. V. BACHUTE
Director
(DIN 06604325)

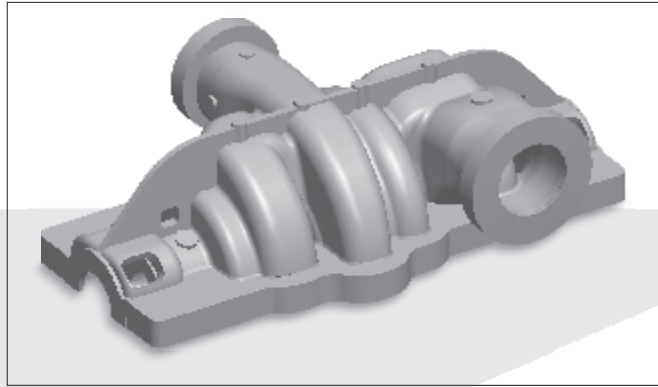
D. N. KATTI
Chief Financial Officer

Pune : April 16, 2015

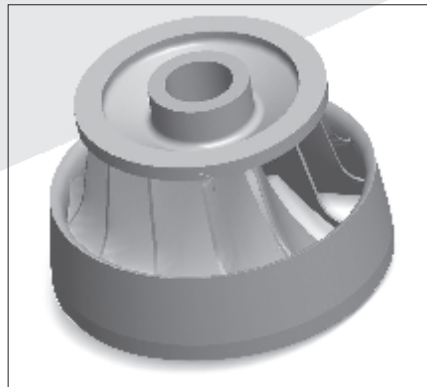
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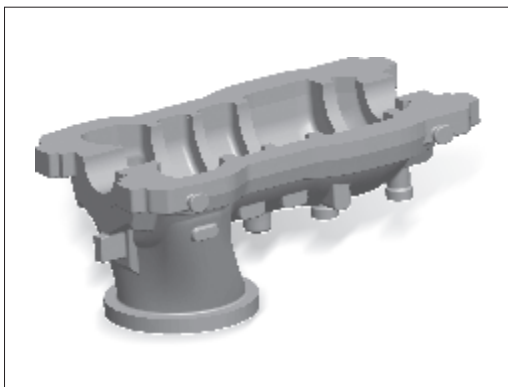
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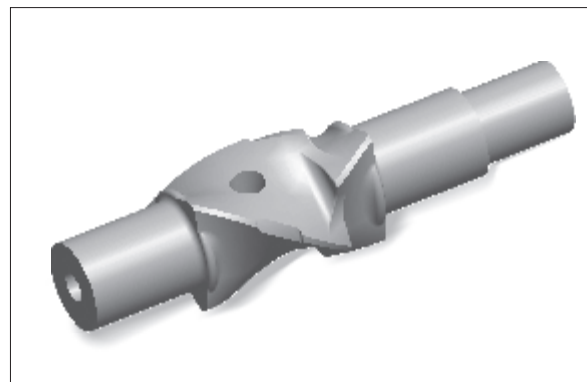
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(Subsidiary company of Kirloskar Brothers Limited)

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