

CHAPTER 2

PROFILE OF THE COMPANY

UNDER STUDY

KULKARNI POWER TOOLS LTD

AT POST SHIRDOL - 416 103

DIST. : KOLHAPUR

Kulkarni Power Tools Ltd. is a Public Limited company registered under The Companies Act, 1956. The company was established in the year 1976 with the main objective of manufacturing all types of Electric Portable Power tools in India. The registered office and works of the company are situated at Shirol Dist. Kolhapur - 416 103. The power tools industry was in nascent stage in the year of establishment i.e. 1976. The promoters hailing from Sangli saw a tremendous opportunity for the applications of power tools in the growing economy of India. The power tools are used in all industries like construction, engineering etc. With the growth of Indian industry over the years the company also recorded growth in all the economic parameters.

2 . 1 . HISTORY OF THE COMPANY :

The company could not achieve the projections of sales and profitability in the first 10 years of the company since its inception. The product as well as the promoters both were having their first experiences with the Indian economy. The company had to build the required infrastructure and had to develop market for its product against all odds. Being first generation entrepreneurs the promoters had to fight to capture market share in a not so growing economy. The company started earning profits from the year 1989 onwards and since

then the company achieved significant progress on all fronts.

For the purpose of production of Electric Power Tools the company initially entered into technical collaboration with Black Decker Ltd. an American company engaged in the production of power tools all over the world. The name of the company was also Kulkarni Black & Decker Ltd. initially. With this technical collaboration the company manufactured the power tools in India till the end of 1991. On the expiry of the term of the collaboration agreement the company rechristened itself as Kulkarni Power Tools Ltd in 1992.

As stated above the fortunes of the company changed for the better since 1989. Since the liberalisation of the Indian economy in 1991 the company saw its turnover doubled within a period of 6 years with manifold increase in its profits. This was achieved with the help of strong marketing as well as the fast growing Indian economy. The company regularly updated its products by addition of new products as well as by constantly monitoring the quality of the products. The exports of the company also registered increases during this period.

2 . 2 . MANAGEMENT :

The company is managed professionally by the Board Of Directors. The board is assisted by the Managing Director &

Joint Managing Director who carry out their functions under the supervision and guidance of the board of directors. Experienced and professional persons constitute the Board. A list of present directors is enclosed in Annexure 1.

2 . 3 . MARKETING & MARKETING NETWORK :

The company strengthened its marketing network and coverage over the years which helped increase its turnover both domestic & export. On the expiry of the collaboration agreement with Black & Decker Ltd. in 1992 the company started marketing its tools under its own name i.e. KPT. In order to ensure quality of its products and to ensure acceptance of its products abroad the company installed strict & effective quality control system. In order to achieve excellence in quality the company strengthened systems of material procurement, stocking and manufacturing. All these efforts enabled the company to obtain both ISI & ISO 9001 certifications.

The company entered into a marketing arrangement to sell in India the power tools of Ryobi, a Japanese large company under its brand name ' RYOBI '

In order to increase domestic as well as export turnover the company established marketing set up all over the country. The details of the marketing set up are as under :

CHIEF MARKETING OFFICE , MUMBAI

REGIONAL OFFICES

MUMBAI CHENNAI BANGALORE NEW DELHI CALCUTTA

KULKARNI POWER TOOLS LTD OFFICES

AHMEDABAD BANGALORE PUNE SECUNDRABAD

SERVICE CENTRES

DEALERS

A detailed organisation chart of the marketing department is enclosed in Annexure 2.

In addition to cater to the export market a separate marketing set up was established which is being looked after by International Business Division which is stationed at New Delhi. A detailed organisation chart for the IBD division is enclosed in Annexure 3.

The company reaches the ultimate customers and various govt. departments and agencies through the above marketing set up.

The total dealers of the company all over the country numbered 175 and the total service centres were 121.

The total employees working in the above set up amounted to 103 and the division departmentwise was as under :

ZONE		NUMBER OF EMPLOYEES
F	Mumbai	15
G	Gujrat	9
H	Tamilnadu, Kerla, B'lore	17
I	Andhra pradesh	8
J	Delhi, Punjab, Hariyana	25
K	W. Bengal, Bihar, Orissa	17
L	Poona, Nasik, Nagar	8
M	Kop, Sangli, Goa, Hubli	9
CMO OFFICE		9
IBD DIVISION		4
		103

Thus a total of 103 employees worked in the marketing set up all over India.

2 . 4 . GENERAL ORGANISATIONAL SET UP :

A detailed organisation chart of the company is enclosed in Annexure 4.

The total organisation can be divided into the following main functions :

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a.Sales & Service (Domestic)	General Manager
b.Sales & Service (Export or IBD)	General Manager
c.Corporate Planning & Secretary	General Manager
d.Operations	General Manager
e.Quality Control	Dy.General Manager
f.Administration	Manager
g.Finance	Dy.General Manager

Further in each of the above departments under the General Manager there are senior managers, deputy or assistant managers & officers. The organisation is divided & authority relationships are created as per functions of the company for which a separate person is assigned. All such departments report to the Joint Managing Director. All Dy. General Managers and senior managers report to their superiors. This facilitates direct supervision and faster decisions.

The organisation structure is well balanced in the sense that the lines of authority are clear and the authority relationships are well established and understood. The structure allows enough room for interaction and participation of subordinates in the management.

2 . 5 . TOTAL WORKFORCE :

As stated above the company has offices all over India in the form of own offices & service centres and works and registered office at Shirol. The total workforce of the

company amounted to 333 employees working in different departments. The details of the employees according to the departments were as under :

	STAFF	WORKERS	TOTAL
Manufacturing	17	-	17
Machine Shop		53	53
Workshop		38	38
Assembly		10	10
Tool room		4	4
Tool Crib		5	5
Maintenance		6	6
Paint Shop		5	5
PPG		3	3
PED	15		15
Project	1		1
Purchase	10	1	11
Stores	4	2	6
Quality Control	18		18
Accounts	8		8
Finance	4		4
Administration	6		6
Excise	4		4
Sales HO	2		2
Service HO	2		2

PPC		2	2
Despatch		2	2
General		8	8
Sales CMO	103		103
	<hr/>	<hr/>	<hr/>
	194	139	333

2 . 6 . EXPORTS :

The export market for the products of the company recorded growth continuously as the following figures show :

FOB Value of Exports in Rupees

1989	729565
1990	2486135
1991	2598443
1992	2242651
1993	15168467
1994	8841069
1995	20719032
1996	19557124

2 . 7 . LISTING OF SHARES :

The equity shares of the company have been listed on the

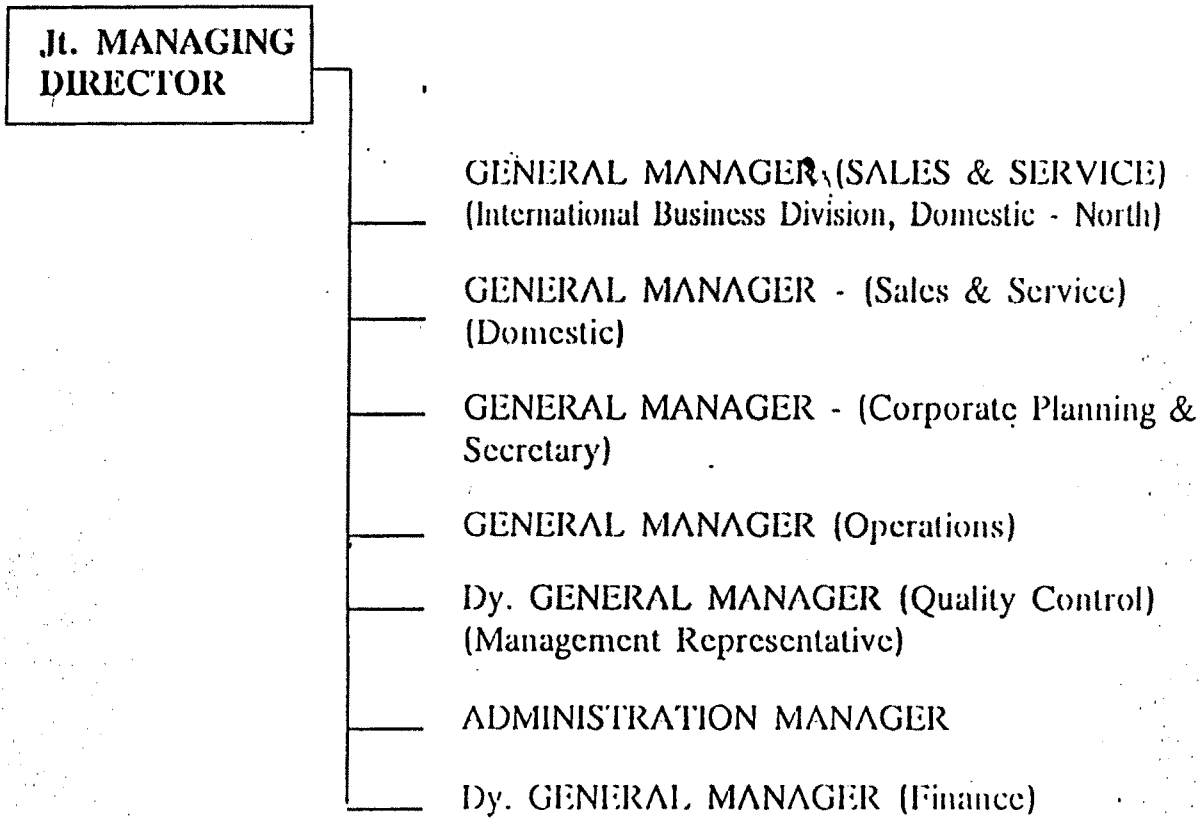
Mumbai Stock Exchange since 1990. This facilitates easy raising of funds through new issue as also issue of shares at a premium.

2 . 8 . MARKET SHARE :

The market share of the company was 30 % in the year 1995. It grew from 10 % in 1990 to 20 % in 1994. In 1997 the market share of the company further improved to 35 %.

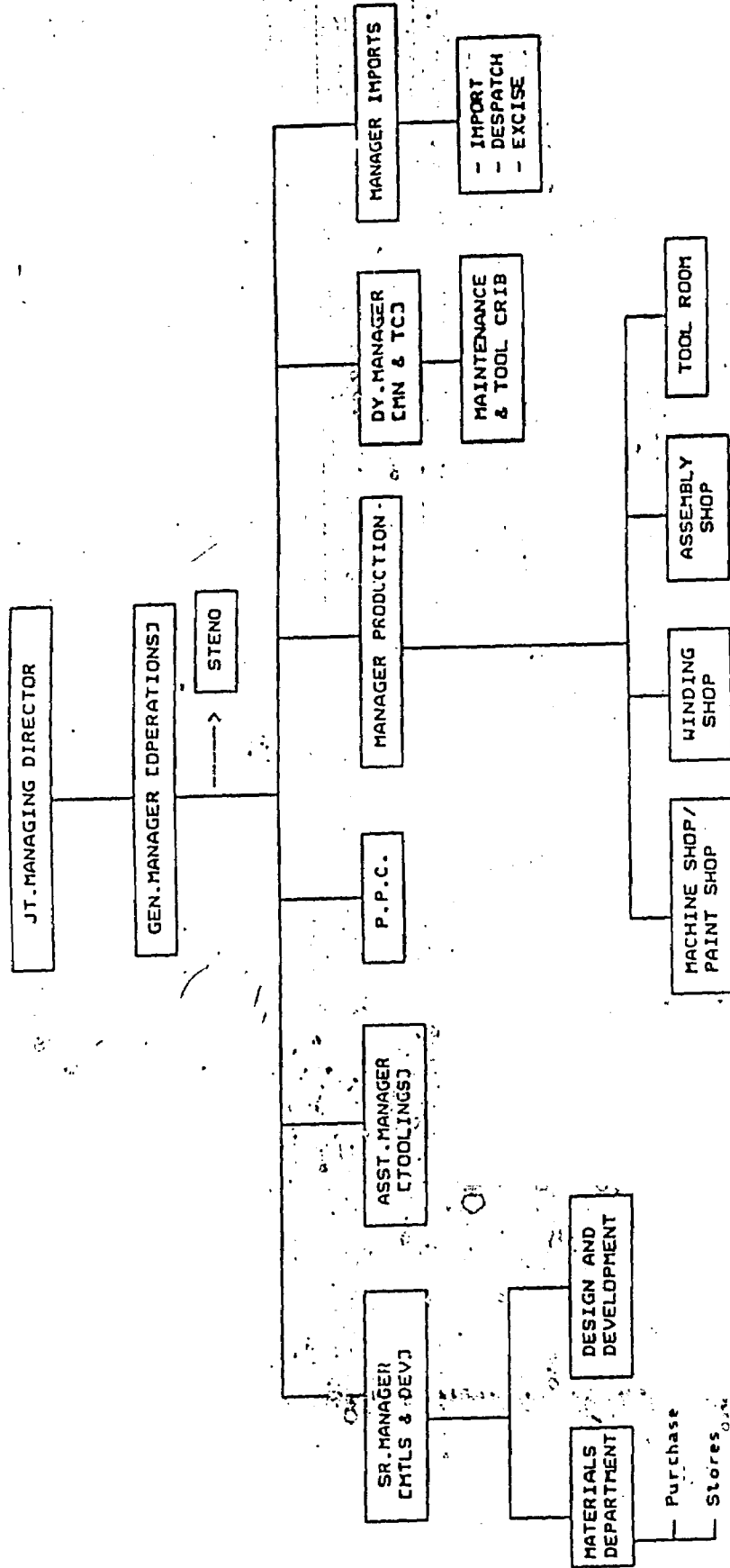
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ORGANISATION CHART



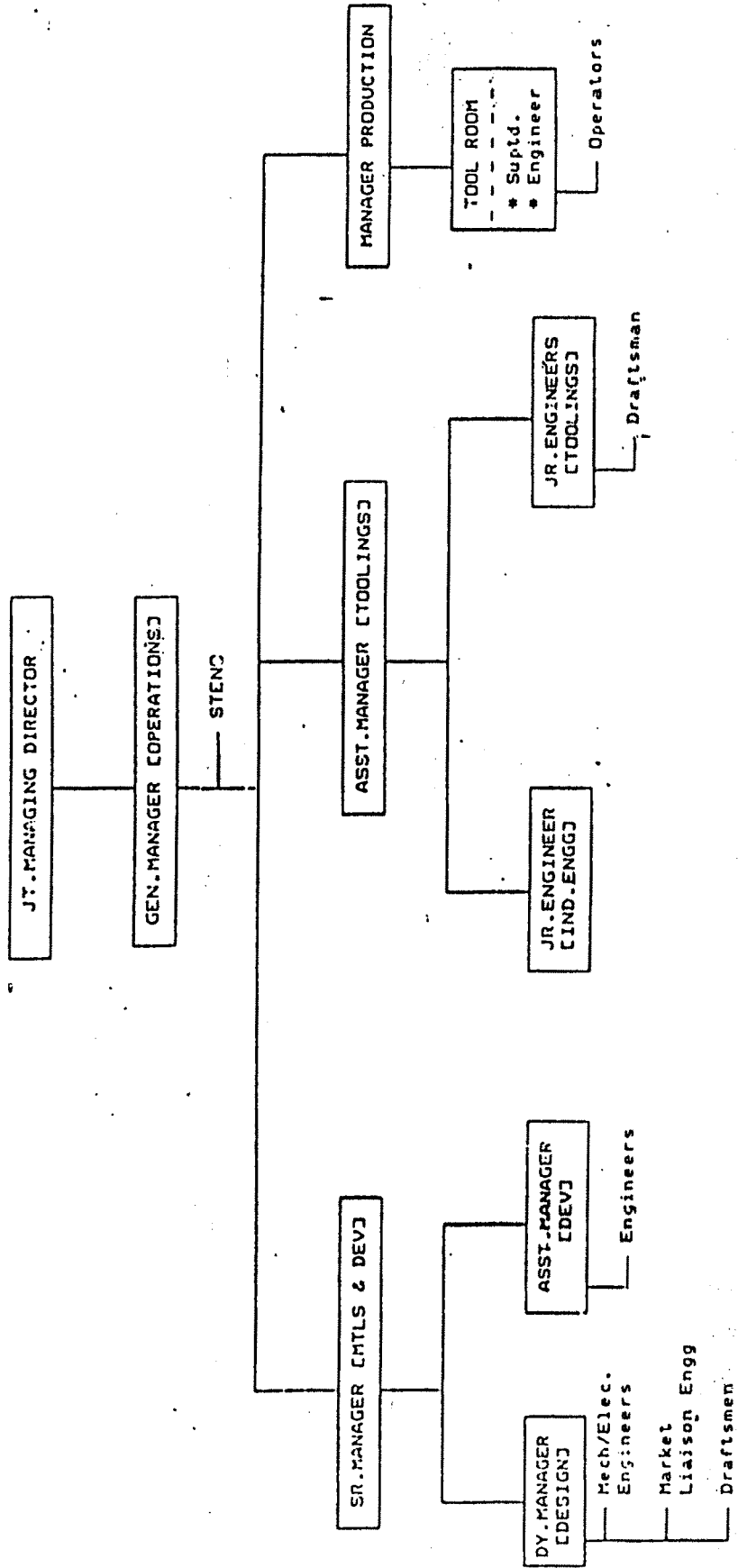
TITLE : OPERATIONS ORGANISATION

Proc : DPN/DR/PO1
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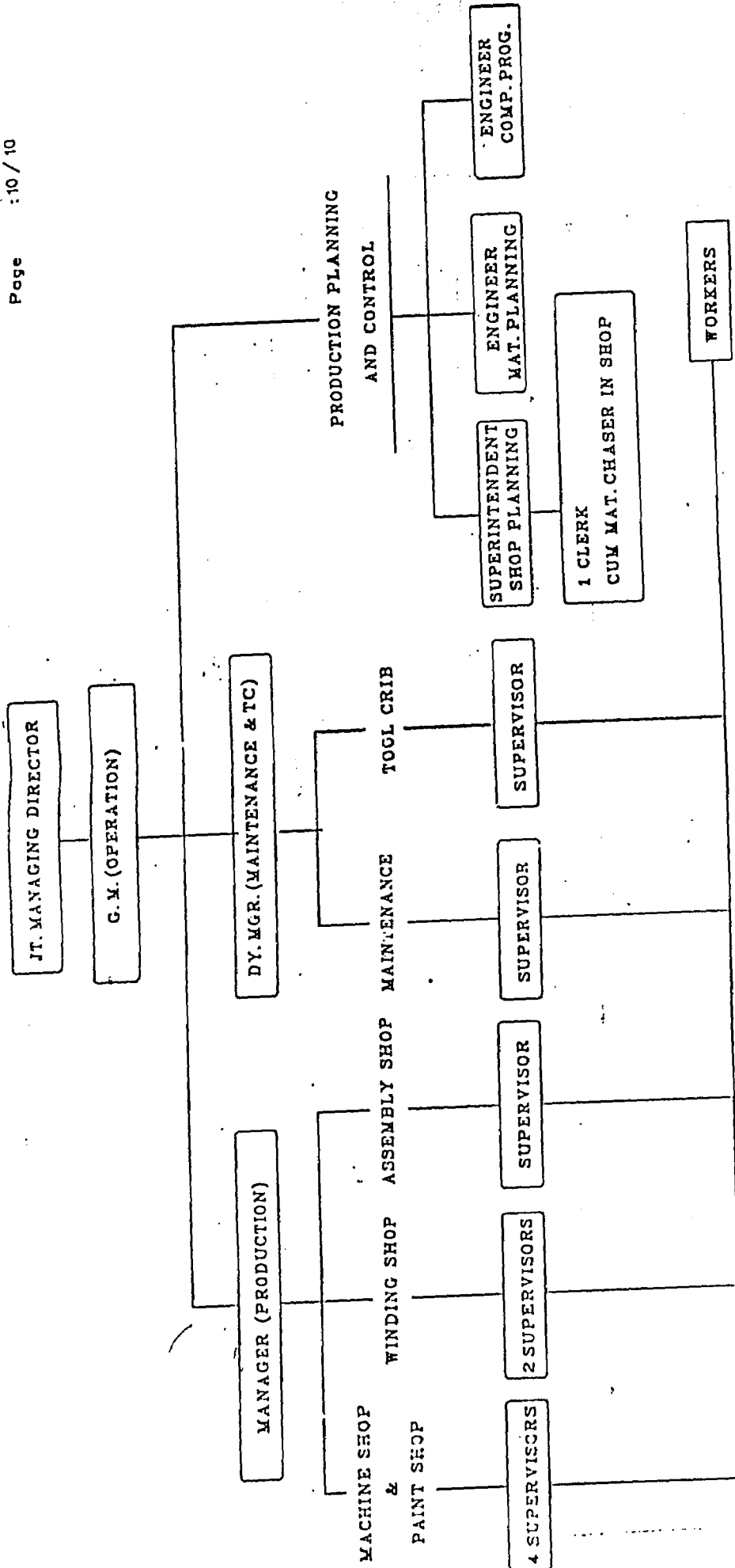


TITLE : ENGINEERING ORGANISATION

Proc : ENG/OR/F01
 Issue No : 3
 Date : 15.5.97
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ORGANISATION CHART



IN CASE OF ABSENCE OF G.M. (OPERATION), MANAGER PRODUCTION & DY. MANAGER (MN. & TC.) ARE RESPONSIBLE FOR ROUTINE

MFG. ACTIVITIES AND AUTHORITIES ARE DELEGATED UPWARD.

IN CASE OF VACANCY, ABSENCE OR TRANSFER RESPONSIBILITIES AND AUTHORITIES ARE DELEGATED UPWARDS OR

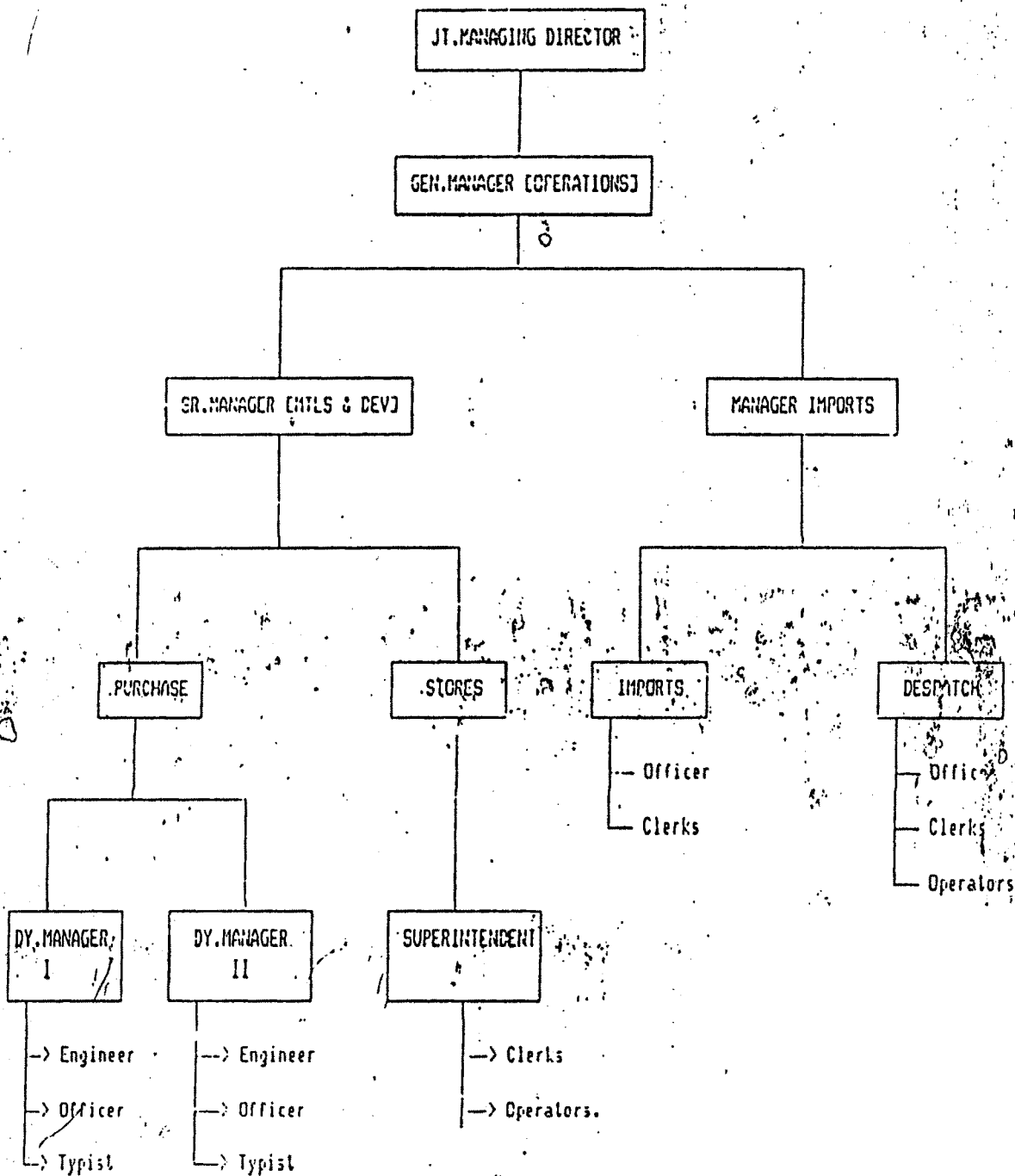
TO A SPECIFICALLY DESIGNATED INDIVIDUAL ASSIGNED BY THE G.M. (OPERATIONS)



Title : Materials Department
Organisation.

Proce No. : MTL/DR/P01
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MATERIALS ORGANISATION





Title : Quality Control Organisation

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DEPUTY GENERAL MANAGER
QUALITY CONTROL

ISO 9001

TRAINING

BUDGET

Sr. ENGINEER
R/L

ASSEMBLY INSPECTION

CALIBRATION OF ELEC-
TRICAL INSTRUMENTS

RELIABILITY LAB

STUDY OF COMPETITOR
PRODUCTS

ISI, APPROVALS

Jr. ENGINEER
W/S

WINDING SHOP INSP.

CUSTOMER COMPLAINTS
FOC

INSP. AT SUPPLIER'S

STOCK QUALITY AUDIT

Dy. MANAGER
Q.C.

Sr. ENGINEER
GI

GOODS INWARD INSP.

INSP. AT SUPPLIER'S

SAMPLE INSPECTION

MACHINE SHOP INSP

CALIBRATION OF GAUGES
JIGS & FIXTURES

CALIBRATION OF -
MEASURING INSTRUMENTS

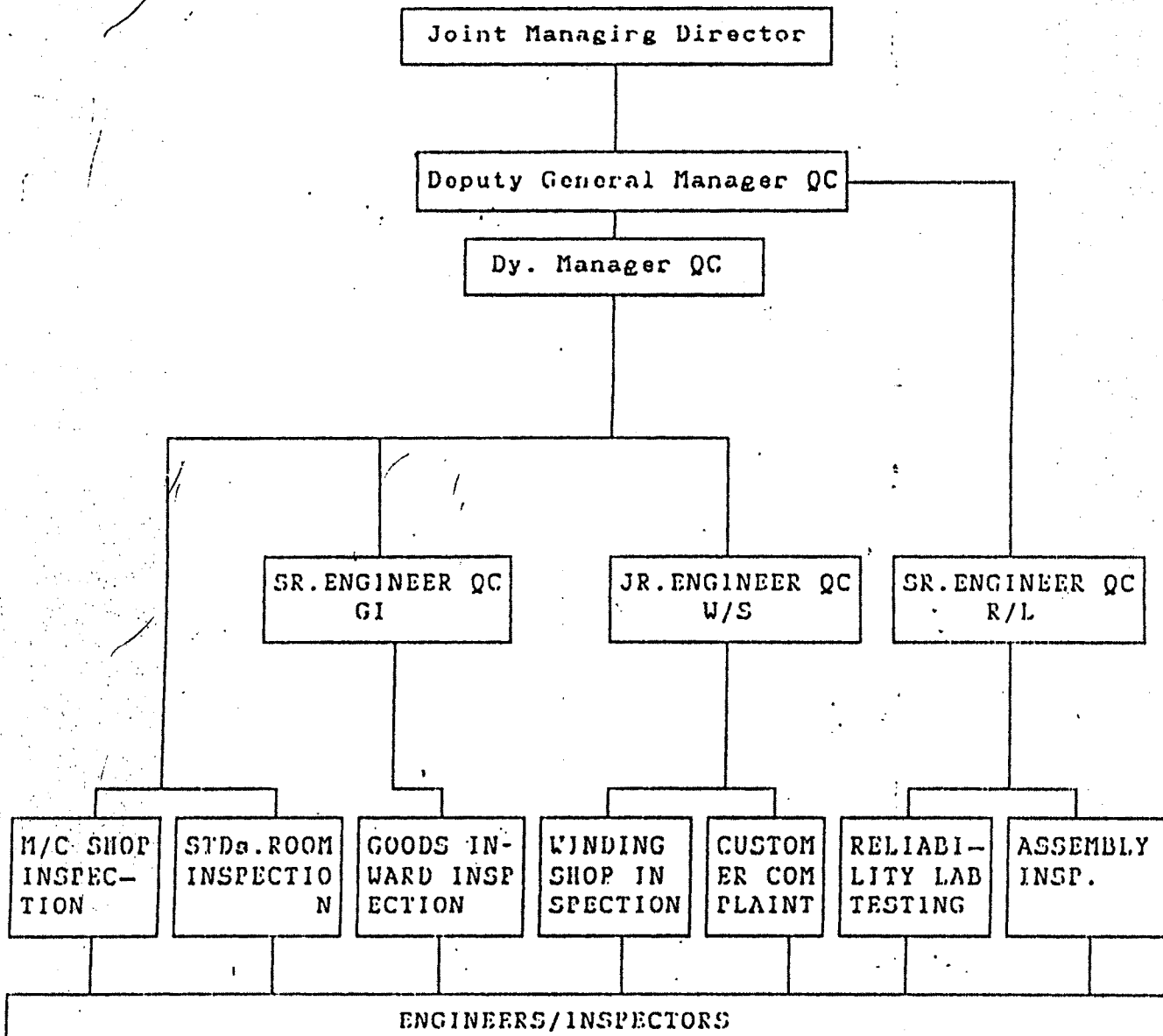
SQC/SPC



Title : Quality Control Organisation

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ORGANISATION CHART



NOTE : IN CASE OF ABSENCE OF Dy.GM.(Q.C.), Dy. MANAGER Q.C. WOULD BE RESPONSIBLE FOR ROUTINE Q.C. ACTIVITIES.

IN CASE OF VACANCY, ABSENCE OR TRANSFER, RESPONSIBILITY SHALL BE DELEGATED UPWARDS OR A SPECIFICALLY DESIGNATED INDIVIDUAL BY DEPUTY GENERAL MANAGER (QC).

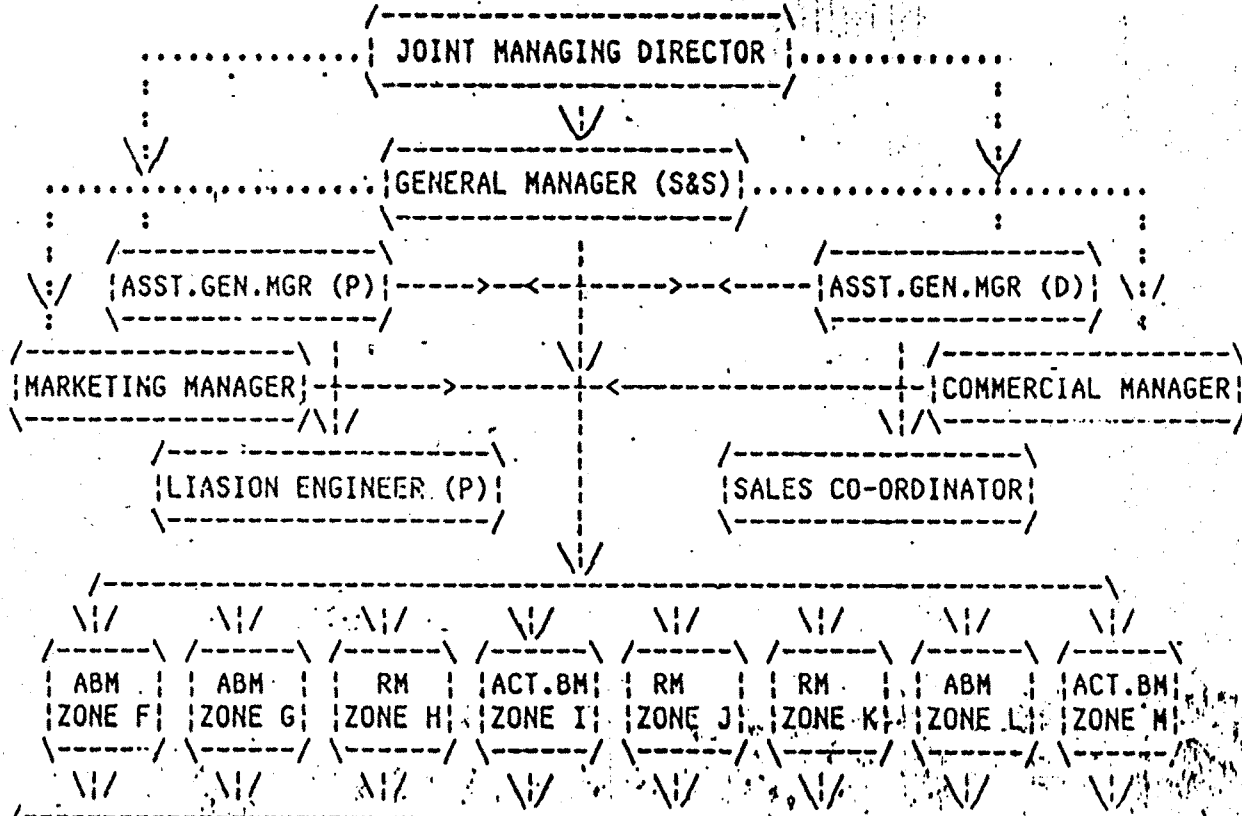


KULKARNI POWER TOOLS LTD.

Title : Sales, Marketing & Service Organisation (Domestic)

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ORGANISATION CHART



Jr./Sr. Sales Engineers / Branch Accounts Officer

ZONE	F	G	H	I	J	K	L	M
AREA	BOMBAY CITY & SUBURBS	GUJARAT M.P.	TAMILNADU KERALA & KARNATAKA (BARRING BGL/HBL)	ANDHRA PRADESH	NORTH : DELHI HARYANA PUNJAB H.P., J & K U.P. RAJASTHAN	EAST : W.B. ORISSA BIHAR E.M.P. ASSAM & N.E. STATES	PUNE NAGPUR NASIK	KOLHAPUR GOA BELGAUM HUBLI

Jr. / Sr. Service Engineers



TITLE : I B D ORGANISATION

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ORGANISATION STRUCTURE (IBD)

JOINT MANAGING DIRECTOR

GENERAL MANAGER (IBD)

DELHI OFFICE

SECRETARY

OFFICE ASSISTANT

MARKETING OFFICER

MANAGER EXPORTS
IBD SHIROL

OFFICE ASSISTANT

EXPORT OFFICER