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KPT/SECR/STEX/19-20

www.listing.bseindia.com

03rd September, 2019

BSE Limited

Corporate Relationship Department
 2nd Floor, New Trading Ring,
 P.J. Towers, Dalal Street.

MUMBAI 400 001

Dear Sir,

Sub: - Submission of Annual Report pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting here with our 43rd Annual Report for the year ending as on 31.03.2019.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
 For Kulkarni Power Tools Ltd.,


 Aishwarya Toraskar
COMPLIANCE OFFICER

Encl: - a/a.





KULKARNI POWER TOOLS LTD.

**43rd ANNUAL REPORT
2018-19**

KULKARNI POWER TOOLS LTD.

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

BOARD OF DIRECTORS

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

BANKERS

Bank of Maharashtra, Sangli
IDBI Bank Ltd. Kolhapur

AUDITORS

Mr. Dharmendra R. Prabhukhot
Chartered Accountant
Plot No. 821, "Guruprasad",
R.C. Nagar, 2nd Stage,
Vasant Vihar Colony, Tilakwadi,
Belagavi - 590 006.

BOARD'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the 43rd Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2019.

1. FINANCIAL RESULTS:

	31-03-2019	₹ In Lakhs 31-03-2018
Turnover	10465.76	8749.05
Profit Before Interest, Depreciation, Tax & Exceptional Items	1246.57	1085.05
Less : Interest	592.21	553.15
Less : Depreciation	303.92	334.19
Profit Before Tax	350.44	197.70
Less : Provision for Taxation, including Deferred Tax	(6.22)	(44.61)
Profit After Tax	356.66	242.31
Less : Other Comprehensive Income	(4.31)	(5.46)
Net Profit for the current year	352.35	247.77
Add : Amount brought forward from last year	(266.71)	(514.48)
Profit available for Appropriation	85.64	(266.71)
Transfer to General Reserve	-	-
Balance Carried Forward to Balance Sheet	85.64	(266.67)
Proposed Dividend	25.50	-
Tax on Proposed Dividend	5.24	-

2. OPERATIONS AND FUTURE PROSPECTS:

Though the Indian economy has showed overall slowness, your Company continued to deliver good results.

The clouds of recession amidst the international slowdown, together with the flood fury in India, may have an impact on the performance of the Company. Company is taking commensurate steps to lower the impact of these factors, as much as possible.

3. DIRECTORS & KEY MANAGERIAL PERSONNEL :

The Board comprises of 8 Directors out of which four are Independent Directors, two Executive Directors, one Non-Independent Director and one Woman Director.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. Prakash Kulkarni, Vice Chairman & Managing Director, Mr. Dilip B. Kulkarni, Chief Financial Officer and Ms. Aishwarya S. Toraskar, Company Secretary, are the Key Managerial Persons of the Company.

Declarations of Independence from Independent Directors

Company has received necessary declaration from, each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Directors Retiring by Rotation

Mr.Prakash. A. Kulkarni, Director (DIN :00052342), retires by rotation as per the provisions of Companies Act, 2013, and is eligible to be reappointed as a Director of the Company in the forth coming Annual General Meeting. The Board recommends his appointment.

Dr.Ketan V.Pai, Director (DIN :06980628), retires by rotation as per the provisions of Companies Act, 2013, and is eligible to be reappointed as a Director of the Company in the forthcoming Annual General Meeting. The Board recommends his appointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation provided to them, your Directors, pursuant to Section 134(5) of the Companies Act, 2013, state that -

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors were devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;
- f) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.

5. NUMBER OF MEETINGS OF THE BOARD:

The Board of Directors duly met 4 (Four) times on 25-05-2018, 13-08-2018, 12-11-2018 & 11-02-2019, in respect of which proper notices were given and the proceedings were properly recorded and signed.

The Audit Committee of the Board of Directors also met 4 (Four) times on 25-05-2018, 13-08-2018, 12-11-2018 & 11-02-2019, in respect of which proper notices were given and the proceedings were properly recorded and signed.

The Nomination & Remuneration Committee of the Board of Directors met 1 (One) time on 11-02-2019 in respect of which proper notice was given and the proceedings were properly recorded and signed.

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

Sl. No.	Dates of Meeting	Attended by
1.	25-05-2018	Mr.P.A.Kulkarni, Mr.M.L.Apte, Mr.D.C.Shroff, Mrs.P.P.Kulkarni, & Mr.D.B.Kulkarni.
2.	13-08-2018	Mr.P.A.Kulkarni, Mr.D.C.Shroff, Mr.S.S.Shirgaokar, Mr.S.C.Kirloskar, Mrs.P.P.Kulkarni, Mr.D.B.Kulkarni & Dr.K.V.Pai.

3.	12-11-2018	Mr.P.A.Kulkarni, Mr.M.L.Apte, Mr.D.C.Shroff, Mrs.P.P.Kulkarni, Mr.D.B.Kulkarni & Dr.K.V.Pai.
4.	11-02-2019	Mr.P.A.Kulkarni, Mr.M.L.Apte, Mr.S.S.Shirgaokar, Mrs.P.P.Kulkarni, Mr.D.B.Kulkarni & Dr.K.V.Pai

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

Sl. No.	Dates of Meeting	Attended by
1.	25-05-2018	Mr. M.L. Apte & Mr. D.B.Kulkarni
2.	13-08-2018	Mr. S.S.Shirgaokar & Mr.D.B.Kulkarni
3.	12-11-2018	Mr. M.L.Apte & Mr.D.B.Kulkarni
4.	11-02-2018	Mr. P.A.Kulkarni, Mr.M.L.Apte, S.S.Shirgaokar & Mr. D.B.Kulkarni

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

Sl. No.	Dates of Meeting	Attended by
1.	11-02-2019	Mr. S.S.Shirgaokar, Mr. M.L.Apte & Mrs. P.P.Kulkarni

6. ANNUAL EVALUATION OF PERFORMANCE OF BOARD AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS :

During the year under review, the Board has initiated formal evaluation process for its own performance and of its own committees and individual directors, pursuant to Section 134 (3) (p) of the Companies Act, 2013 and Rule 8 (4) of the Companies (Accounts) Rules, 2014.

7. NOMINATION AND REMUNERATION COMMITTEE:

The Company has framed Nomination and Remuneration Committee to decide appointment and remuneration of Directors, Independent Directors and Key Management Personnel.

Salient features of the Nomination and Remuneration Policy are as follows:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required.
- b) Remuneration is linked to performance.
- c) Ensuring that remuneration to directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- d) The criteria for determining qualifications, positive attributes and independence of a Director.

The Nomination and Remuneration Policy of the Company is available on www.kpt.co.in pursuant to provisions of Section 178(4) of the Companies Act, 2013.

8. AUDIT COMMITTEE:

The Audit Committee of the Board, pursuant to Section 177(2) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, consists of 5 (Five) Directors. Out of which 3 (Three) Directors are Independent Directors and constitutes majority.

9. STATUTORY AUDIT REPORT:

With respect to Statutory Auditors' observations regarding Internal Financial Controls, please note that the Company has robust internal control system in place. As per new requirement, the Company has already started preparation and compilation of data in the required format in this respect.

10. SECRETARIAL AUDIT REPORT:

With respect to Secretarial Audit Report, attached herewith as **Annexure-I**, to this report, the Company has taken all the required steps to put in place the necessary procedural compliance.

11. DIVIDEND:

Your Directors are pleased to recommend a payment of dividend at the rate of 15% for the year ended on 31st March, 2019.

12. CHANGE IN NATURE OF BUSINESS:

During the year under review, there were no changes in nature of business of the Company.

13. TRANSFER TO RESERVES:

During the year under review, the Company has not transferred any amount to its reserves.

14. CHANGES IN CAPITAL OF THE COMPANY:

There are no changes in the capital of the Company.

15. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Not Applicable.

16. DEPOSITS:

The Company has not accepted deposits during the financial year.

17. EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, is attached as **ANNEXURE-II** to this Report. The Annual Return of the Company is available on www.kpt.co.in pursuant to provisions of Section 92(3) of the Companies Act, 2013.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, the Company has not advanced any loans/ given guarantees / provided securities or made any investments.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Related party transactions that were entered during the financial year, were on an arm's length basis and were in ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **ANNEXURE-III** to this Report.

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

A) CONSERVATION OF ENERGY

This industry does not fall under Schedule prescribed under Rule(2). Efforts are made to keep the consumption of Power and Fuel to a minimum level. Kulkarni Power Tools Ltd., also generates clean power by use of wind power.

B) TECHNOLOGY ABSORPTION

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

- Enhancing life of electric motors,
- Reducing maintenance cost of products,
- Development of new products/designs/procedures/methods/materials/machines/tools in existing products/processes in related manufacturing areas, Improving the electrical characteristics of the motors.

II) Benefits derived as a result of above R&D:

- Improved performance/longer service life of product,
- Complete safety,
- Cost reduction,
- Enhancement of quality and service to the customers.

III) Future plan of action:

Company plans to continue development activities on the above lines,

IV) Expenditure on R&D:

Expenditure of revenue nature incurred on R&D is charged under the respective heads, Capital expenditure on acquisition of assets for R&D, if any, is depreciated as Plant & Machinery.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The Company has not imported any technology during the last sixteen years. There is a continuous flow of information between the Company and the key suppliers from abroad. The Company's key managers also visit various markets and are exposed to latest products and technologies. Interaction with Suppliers of key components, on a regular basis, keeps the Company abreast with the latest development in product technology, manufacturing process and methods, quality assurance, marketing and management systems. We have, over the years, built requisite infrastructure and technically competent manpower to translate and adopt the latest technical know-how into improved products for our customers.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings : ₹ 915.35 lacs

Outgo : a) Material ₹ 3,632.13 lacs

b) Others ₹ 12.45 lacs

Total ₹ 3,644.58 lacs

21. THREATS & CONCERNS :

The leading brands always come up with new products. We keep on studying this and suitable actions are taken.

22. SAFETY, HEALTH & ENVIRONMENT :

Our Company continues to pursue its environmental friendly approach towards Industrial growth. Constant improvements are being made in the process.

23. TECHNICAL INNOVATION :

No significant products development, other than improving old ones, was made during the year.

24. CORPORATE GOVERNANCE CERTIFICATE :

Since the Paid-up Capital of the Company does not exceed rupees ten crores and the net worth does not exceed rupees twenty five crores, under the provision of Regulation 15 (2) (a) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this certification requirement is not applicable.

25. VIGIL MECHANISM:

The Company has established a Vigil Mechanism for Directors and employees to report their genuine concerns and to provide adequate safeguards against victimisation of persons who use such mechanism.

26. RISK MANAGEMENT POLICY:

The Board of Directors of Company is continuously monitoring various risk attached to business. On regular basis, Board and senior managers identify the risk elements. Board and senior managers, on the basis of past experience, ensure management of risk and take necessary steps to mitigate the risks.

In the opinion of the Board there are no risk elements which may threaten the existence of the Company, except general market risks, risk due to effect of changes in government policies, competition risks and risk due to natural calamities.

27. SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES:

Company does not have any Subsidiary or Associate Companies.

28. IMPACT OF ANY REGULATION OR COURT ORDERS

There are no material orders passed by the Regulation or Courts impacting on the Company's business.

29. STATEMENT OF COMPLIANCE OF PROVISIONS OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No such cases were reported during the Financial Year 2018-2019.

30. EMPLOYEES' REMUNERATION :

Details of the remuneration as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **ANNEXURE-IV** to this Report.

31. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. The scope of the Internal Audit is decided by the Audit Committee and the Board. To maintain its objectivity and independence, the Board has appointed an Auditor, which reports to the Audit Committee of the Board on a periodic basis.

The Internal Auditor monitors and evaluates the efficacy and adequacy of Internal control Systems in the Company, its compliance with operating systems, accounting procedures and policies for various functions of the Company. Based on the report of Internal Auditor, management undertakes corrective action wherever required and thereby strengthens the control further.

The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

32. MAINTENANCE OF COST RECORDS:

Maintenance of cost records is required by the Company under section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

33. ACKNOWLEDGEMENT:

The Board of Directors would like to thank their customers, vendors, dealers and business associates for their continued support during the year.

The Board of Directors sincerely appreciates and thanks its esteemed Shareholders for their continued support and confidence reposed in the Company.

Your Directors also wish to place on record their appreciation of the contribution made by employees at all levels, during the year.

For & On behalf of the Board of Directors

Prakash Kulkarni
Vice Chairman & Managing Director
DIN : 00052342

Dilip Kulkarni
Executive Director
DIN: 00184727

Place : Mumbai
Date : 10th August, 2019