



EMKAY TOOLS

ANNUAL REPORT
2016-17

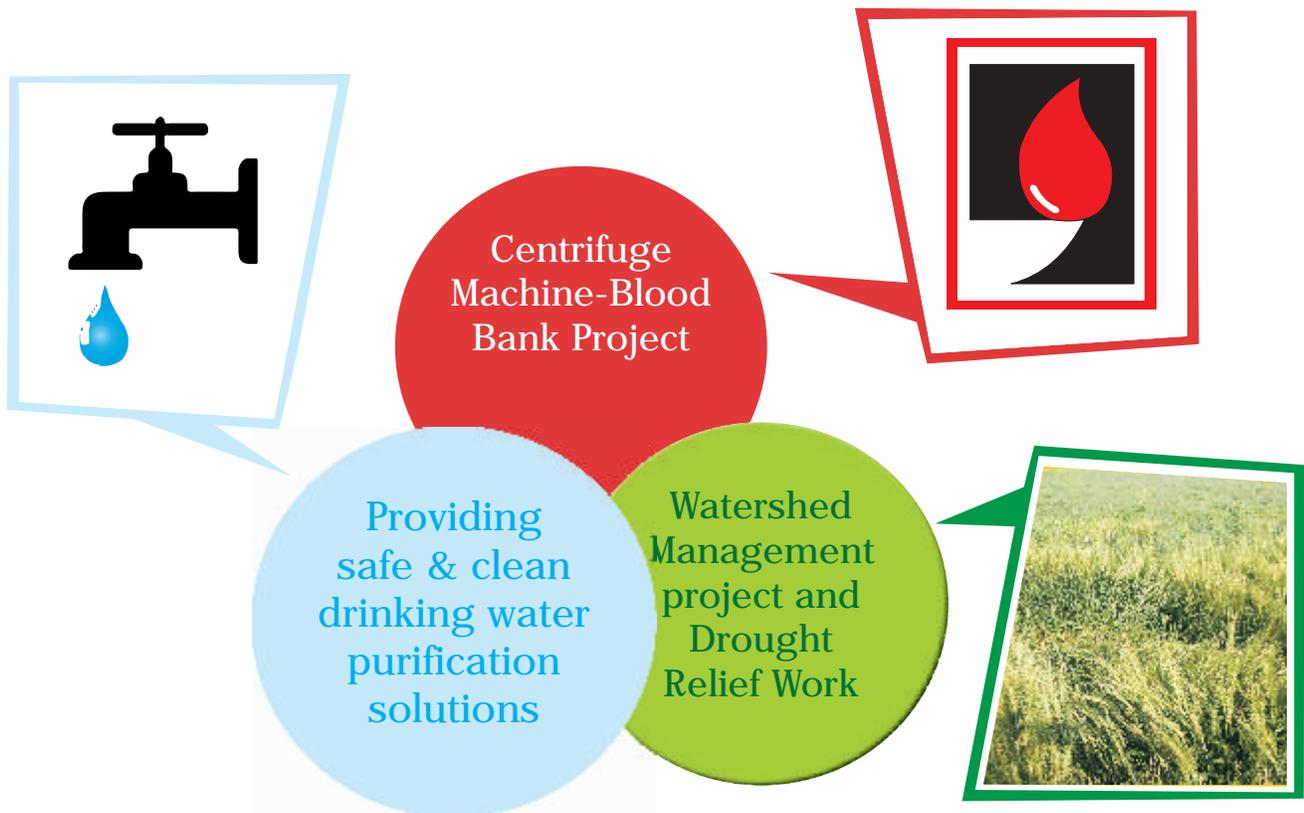
22nd
AGM

EMKAY TAPS AND CUTTING
TOOLS LIMITED

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* CSR INITIATIVES BY THE COMPANY DURING THE YEAR UNDER REVIEW *



* Important Communication to Member

The Ministry of Corporate Affairs has taken a **“Green Initiative in the Corporate Governance”** by allowing Paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.

**◀ Corporate Information ▶****Board of Directors**

Chairman and Managing Director
Mr. Ajayprakash Kanoria

Whole Time Director
Mrs. Alka Kanoria

Independent Non-Executive Director
Mr. Mahesh Mor
Mr. Rahul Bagdia
Mr. Ravindra Loiya
Mr. P.C. Ramchandran

Chief Financial Officer
Mr. Vishnu K. Sontakke

Company Secretary & Compliance Officer
Ms. Shruti Sohane

Stock Exchange

National Stock Exchange
“SME EMERGE”

Bankers

ICICI Bank Ltd.
Bank of Maharashtra
HDFC Bank Ltd.

Auditors

Statutory Auditor
M/s. Vijay Agrawal & Co.
Chartered Accountants
Nagpur

Peer Review Auditor
M/s K.P.R.K. & Associates
Peer Review Chartered Accountants
Nagpur

Secretarial Auditor
M/s H. Roshan & Associates
Company Secretaries
Nagpur

Committees*

Audit Committee
Nomination & Remuneration Committee
Stakeholders Relationship Committee
CSR Committee
Management Committee

Correspondence Details for Investors

Bigshare Services Private Limited
Registrar & Transfer Agent
Reg. Off.: E/23 Ansa Industrial Estate,
Sakhivihar Road, Sakinaka, Andheri (East),
Mumbai - 400 072, Maharashtra
Tel. No.: 022-62638200
Website: www.bigshareonline.com

Emkay Taps And Cutting Tools Ltd.
Compliance Officer
B-27/B-27/1, M.I.D.C Hingna,
Industrial Estate, Nagpur-440016
Tel.: 07104-237584,
Email: investors@emkaytapsandtools.com
Website: www.emkaytapsandtools.com

*Detailed information regarding above mentioned committees is given in Corporate Governance Report which forms part of this Annual Report.

**NOTICE OF 22nd AGM TO MEMBER'S**

NOTICE is hereby given that 22nd Annual General Meeting of the Members of Emkay Taps And Cutting Tools Limited will be held on Saturday August 12, 2017 at 12.30 pm at the Registered Office of the Company i.e. Plot no. B-27/B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur-440016, Maharashtra to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited financial statements of the Company for the year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors' thereon.
2. To consider declaration of Final Dividend as recommended by the Board for F.Y. 2016-17 at Rs. 2/- per share.
3. To consider re-appointment of Mr. Ajayprakash Kanoria (DIN: 00041279), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment. For

details of Director seeking re-appointment at the Annual General Meeting please refer Annexure I to the Notice.

4. To ratify the appointment of the auditors of the Company, and to fix their remuneration;

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

“RESOLVED THAT pursuant to the provisions of Section 139, Section 142 and other applicable provisions of the Companies Act, 2013, and rules made there under, as amended from time to time, M/s. Vijay Agrawal & Co., Chartered Accountants, (FRN No. 138350W) of Nagpur, be and is hereby appointed as Statutory Auditors of the Company from the conclusion of 22nd AGM till the conclusion of 23rd AGM and that the Board of Directors be and is hereby authorised to fix their remuneration for the Financial Year 2017-18, as may be determined by the audit committee in consultation with Auditors.”

By the Order of Board of Directors

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Nagpur, July 18, 2017

Shruti Sohane

Company Secretary & Compliance Officer

Registered office:

Plot No. B-27&B-27/1,

M.I.D.C. Hingna, Industrial Estate,

Nagpur-440016

CIN: L29220MH1995PLC091091

Tel. 07104-237584, email: investors@emkaytapsandtools.com, website: www.emkaytapsandtools.com

Notes :

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member of the Company.
2. Proxy form, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. Corporate Members intended to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members, Proxies and Authorised Representatives are requested to bring to the meeting their copy of Annual Report, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
5. If the Final Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on Tuesday, August 22, 2017 to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India)



- Limited (CDSL) as of the close of business hours on Friday, August 4, 2017 to be called as record date for the purpose of final dividend declaration and distribution, if any;
6. In accordance with the provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain close from August 3, 2017 to August 12, 2017 (both days inclusive).
 7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents Bigshare Services Pvt. Ltd. to provide efficient and better services.
 8. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. www.emkaytapsandtools.com
 9. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs and ensure that the same is also updated with their respective demat account(s). The registered e-mail address will be used for sending future communications.
 10. As per Notification issued by Ministry of corporate Affairs dated March 19, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and XC as per SEBI (ICDR) Regulations, 2009 will be exempted from E-voting provisions. Company is covered under Chapter XB and is listed on SME platform of NSE EMERGE. Hence, company is not providing E-voting facility to its shareholders.
 11. As per the Notification issued by SEBI dated September 2, 2015 under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the compliance with the corporate Governance Provisions shall not apply in respect of the Listed Entity which has listed its specified securities on the SME Exchange.
 12. Map for 22nd AGM venue is given at the end of this Annual Report.

ANNEXURE I

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name	Ajayprakash Kanoria
DIN No.	00041279
Date of Birth	May 13, 1957
Appointed on	July 27, 1995*
Qualifications	Bachelor of Commerce, CA(Intermediate)
Brief Profile	Mr. Ajay Kanoria aged about 58 years was born and brought up at Nagpur and he is a commerce graduate and CA Inter by qualification. He is Chairman and managing director in Emkay Taps and Cutting Tools Limited and has an experience of around 35 years. He got his technical experience from his father when he joined his family business. With his strategic planning and strong business development attitude he has contributed a lot towards the growth of company. He functionally handles the overall business affairs of the company. He is very particular about the Quality of product right from beginning which is very well appreciated by all customers.
Directorship held in other Public (excluding private companies)	None
Membership/ Chairmanship Of Committees in other Companies	None
No of Shares held in the Company (as on date)	96,375
Relationship with other directors	Husband of Mrs. Alka Kanoria, Whole-time Director of the Company.

* Appointed as Chairman and Managing Director of the Company as on July 17, 2008, also his tenure as Chairman and Managing Director is fixed for 5 Years w.e.f April 1, 2014 and as per the Articles of Association of the Company is liable to retire by rotation under Section 152(6) of the Companies Act, 2013.



DIRECTOR'S REPORT

To,
The Members

The Directors present the 22nd Annual Report for the financial year 2016-17, together with the Standalone Audited Financial Statements for the year ended on March 31, 2017.

➤ **Financial highlights:**

Particulars	Amount (` in crores)*		
	F.Y. 2017	F.Y. 2016	Increase/ (Decrease)
Total Revenue from Operations	44.73	41.99	2.74
Other Income	2.13	4.67	(2.54)
Total Expenditure	29.20	27.55	1.65
Profit before depreciation, interest and tax	20.83	21.45	(0.62)
Less: Interest	0.34	0.12	0.22
Less: Depreciation and amortization expense	2.84	2.22	0.62
Profit before tax	17.66	19.11	(1.45)
Net tax expense [#]	5.81	5.06	0.75
Profit for the year	11.85	14.05	(2.20)
Add: Surplus carry forward from the last year Balance sheet	65.06	51.01	14.05
Balance carried over to Balance Sheet	76.91	65.06	11.85
Paid-up share Capital	1.78	1.78	--
Reserves and Surplus	82.68	70.58	12.10
Earnings per equity share(`)	66.62	78.98	(12.36)

➤ **Results of operations**

The total revenue from operation for the F.Y. 2016-17 is ` 44.73 crores marking moderate increase as compared to ` 41.99 crores in last F.Y. 2015-16. Performance for two three months was affected due to demonetisation in Indian economy. Decrease in profit for the year has been marked from ` 14.05 crores for F.Y. 2015-16 to ` 11.85 crores for the F.Y. 2016-17.

The working of both divisions of the Company is given as below:

❖ **Taps and Cutting Tools:** Sales growth in the cutting tool industry largely depends on the sales growth of auto sector. Apart from the auto sector, the auto ancillary sector is also growing at a very rapid pace because of good export orders.

The turnover for taps and Cutting Tools segment has increased by 7% from the last financial year.

❖ **Wind Power:**

The company has two wind farm projects one at Shivapura Kavalu Village, Belur Taluka, Hassan District in Karnataka and the other at Kita & Ugawa District, Jaisalmer in Rajasthan, both are developed and maintained by Suzlon Energy Limited and Enercon (India) Limited respectively.

The combine contribution of the two wind farm projects to the gross revenues in the F.Y. 16-17 has decreased as compared to the previous financial year with ` 1.39 crores power sale during the year.

➤ **Dividend**

Your Board is pleased to recommend final dividend of ` 2.00 per equity share, on 1778550 total outstanding equity shares of ` 10/- each, amounting to ` 35, 57,100/- in respect of the financial year 2016-17.

* All figures are rounded off to their nearest value.

deferred Tax expenses for 2016-17 is ` 1,147920



➤ Material changes /commitments/ developments during the year

❖ Peer Review Auditor:

The Board has appointed M/s K.P.R.K. & Associates, Chartered Accountants, from Nagpur (Peer Reviewed by the ICAI, New Delhi) as the Peer Review Auditor of the Company in compliance of REG. 33(1) (d) of SEBI (LODR) Regulation, 2015 for the purpose of submission of the Auditor's Report from Peer Review Auditor's half yearly/yearly to the Stock Exchange (NSE India Limited).

❖ Capacity Expansion:

In the F.Y. 2015-16, your Board of Directors reported for expansion with a capital outlay of approximately ` 11 crores which will likely increase plant capacity to 17 lakhs units from 12 lakhs units with technology upgradation as well.

In F.Y. 2016-17 major part of the implementation of aforementioned project has been completed.

However, the effect of this expansion will be gradual on the capacity expansion because of the initial teething troubles in starting up various machines.

➤ Material Changes / Events after the date of balance Date

❖ Introduction and Implementation of GST Regime:

The Board of Directors welcome the GST regime of the Government of India that has been made effective from July 1, 2017 as One Nation One Tax and we hope that it will result in desirably positive changes in Goods and services industry of the country.

With the implementation of GST, prices in the automobile sector are likely to go down and this may have positive impact on the demand of automobile industry and on our business as well.

❖ Change in Secretarial Auditor for F.Y. 2016-17:

The Board of Directors of the company in their 1/2016-17 Board Meeting has appointed M/s N.R. & Associates, Company Secretaries from Nagpur as the Secretarial Auditor for the F.Y. 2016-17.

Mr. Roshan Harde, former Partner of N.R. & Associates, Nagpur has informed that the firm has been taken over by H. Roshan & Associates, Company Secretaries from Nagpur.

Considering their consent and request, the Board of Directors on June 3, 2017 has appointed M/S H. Roshan & Associates, Company Secretaries from Nagpur as Secretarial Auditor of the Company to conduct secretarial audit and report thereon for the F.Y. 16-17.

The Board of Directors on June 3, 2017 has appointed H. Roshan & Associates, Nagpur the proprietary concern as Secretarial Auditor of the Company for the purpose of conducting Secretarial Audit and to report thereon for the F.Y. 2016-17.

➤ Change in the nature of business

During the year under review, there is no change in the nature of business of the company.

➤ Deposits

During the year under review, the Company did not accept any deposits from the public within the ambit of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

➤ Particulars of loans, guarantees or investments under section 186 of the Companies act, 2013

The Company has made compliance with the provisions of Section 186 of the Companies Act, 2013 during the financial year under review. Please refer to Note 13, 14 and 19 to the financial statement.

➤ Subsidiary, Associate and Joint Venture

The Company does not have any subsidiary Associate and Joint Venture Company during the year under review.

➤ Corporate Governance

The Company has taken all necessary steps to implement the provisions of the Regulations and detailed Corporate Governance Report for the F.Y. 2016-17 forms integral part of this Annual Report.

➤ Management Discussion and Analysis [MDA]

Management Discussion and Analysis, for the year under review, as stipulated under Regulation 34 (2) (e) of SEBI (LODR), 2015, is presented in a separate section forming integral part of this Annual Report.

➤ Related party transactions

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company. An "Annexure A- Form AOC-2" on Related Party disclosures for the year under review, form part of this Annual Report.

➤ Directors and Key Management Personnel

I. Appointment of P.C. Ramchandran on Board of The Company

Mr. P.C. Ramchandran occupied position of an Independent Director in the Board of Directors of the Company w.e.f. September 10, 2016.

**II. Retirement by Rotation**

In accordance with the provisions of section 152[6] of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Ajayprakash Kanoria (DIN: 00041279) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board recommends his reappointment by the members at the ensuing AGM.

III. Profile of The Directors Seeking Appointment / Reappointment

As required under Regulation 36 (3) of SEBI (LODR), 2015, particulars of the Directors retiring by rotation and seeking appointment / reappointment at the ensuing Annual General Meeting is annexed to the notice convening 22nd Annual General Meeting.

IV. Key Managerial Personnel

The following persons are the Key Managerial Personnel(s) of the Company:

- ◆ Mr. Ajayprakash Kanoria, Chairman and Managing Director
- ◆ Mrs. Alka Kanoria, Whole Time Director
- ◆ Mr. Vishnu Sontakke, Chief Financial Officer
- ◆ Ms. Shruti Sohane, Company Secretary

V. Board Evaluation

Pursuant to the provisions of the Act and Rules made thereunder and as provided under Schedule IV of the Act and Regulation 17(10) of SEBI(LODR), 2015, annual performance evaluation of the Directors individually as well as its committees has been carried out by the Board.

The Policy for Evaluation of Performance of the Board of Directors was formulated by Nomination and Remuneration Committee of the Board of Directors and same has been approved and adopted by the Board of Directors in their Meeting held on February 18, 2017.

The criteria for evaluation have been provided in the

Corporate Governance Report, which forms integral part of this Report.

Also the Policy for Evaluation of Performance of the Board of Directors is uploaded on the website of the Company, for reference visit www.emkaytapsandtools.com

VI. Declaration by Independent Directors

The Independent Directors have submitted their declarations of independence, as required pursuant to the provisions of section 149(7) of the Act, stating that they meet the criteria of independence as provided in section 149[6].

VII. Familiarization Program For Independent Directors

With the commencement of SEBI (LODR) Regulation, 2015 w.e.f. December 2, 2015 the listed entity is required to conduct the program for the new joining director of the company to get him/her familiarized with the company.

After appointment of Mr. P. C. Ramchandran as an Independent Director on Board of the Company, their formal introduction as Independent Director of the Company and factory visit has been made on September 10, 2016.

VIII. Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies.

We seek to promote and follow the highest level of ethical standards in all our business transactions. All our corporate governance policies are available on our website (<http://emkaytapsandtools.com/corporate-governance/>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Key policies that have been adopted by the Company are as follows:

NAME OF THE POLICY	BRIEF DESCRIPTION	WEB LINK
Insider Trading Policy	The Company has adopted the Code of Conduct to regulate, monitor and report trading by insiders and Code of fair disclosure of unpublished price sensitive information for the Directors, KMP and other designated officers and connected persons of the Company.	http://emkaytapsandtools.com/insider-trading-policy/
Code of Conduct	The Company has formulated and adopted Code of Conduct for the Senior Management and officers of the Company.	http://emkaytapsandtools.com/code-of-conduct/



NAME OF THE POLICY	BRIEF DESCRIPTION	WEB LINK
Policy on Vigil Mechanism (Whistleblower Policy)	The Company has adopted the Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	http://emkaytapsandtools.com/vigil-mechanism-policy/
CSR Policy	The company believes in the Philosophy of moving together and growing together. The Directors have adopted policy on CSR to spend as required under the Companies Act, 2013 for activities those are benefiting to the Society as a Whole.	http://emkaytapsandtools.com/csr-policy/
Nomination & Remuneration Policy	As required under the provisions of the Companies Act, 2013 Board of Directors has adopted policy for appointment of the Director and for determination of remuneration payable to them.	http://emkaytapsandtools.com/nomination-remuneration-policy/
Policy for Determination of Materiality of Event or Information	This policy has been formulated by the Board of Directors deals with the determination of materiality of the Event/ Information and its dissemination to the Stakeholders at large.	http://emkaytapsandtools.com/corporate-governance/policy-for-determination-of-materiality-of-event-or-information/
Archival Policy	This policy is for retention and preservation of documents and records of the Company.	http://emkaytapsandtools.com/corporate-governance/archival-policy-for-retention-of-documents-etcl/
Prevention of Sexual Harassment at workplace policy	This policy has been formulated define the guidelines and the process to be followed in order to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment in addition to the matters connected therewith or incidental thereto.	http://emkaytapsandtools.com/wp-content/uploads/2016/02/Policy-on-Prevention-Prohibition-and-Redressal-of-Sexual-Harassment_EMKAY_TOOLS.pdf

➤ Directors' Responsibility Statement

In terms of section 134[3] [c] of the Act, your Directors state that:

- i. in the preparation of the annual financial statements for the year ended on March 31, 2017, applicable accounting standards read with requirements set out under schedule III of the Act, have been followed along with proper explanation relating to material departures, if any,
- ii. such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the profit of the company for the year ended on that date,
- iii. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities,
- iv. the annual financial statements are prepared on a going concern basis,
- v. proper internal financial controls are in place and that the financial controls are adequate and are operating effectively and
- vi. the systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.



➤ **Board Meetings**

During the year under review 4 (four) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of Meetings of the Board and its Committees are given in the Corporate Governance Report.

➤ **Statutory Audit**

In accordance with provisions of Section 139(1) of the Companies Act, 2013 M/s. Vijay Agrawal & Co., Chartered Accountants, (FRN No. 138350W), has been appointed as statutory auditors of the company for 5 consecutive financial years i.e. from conclusion of 19th AGM. Pursuant to Listing of the Company tenure of Statutory Auditor shall end at the conclusion of 23rd AGM.

M/s. Vijay Agrawal & Co., Chartered Accountants, (FRN No. 138350W), has submitted their eligibility and consent under section 141 of the Companies Act, 2013 and the rules made thereunder, to the Board of Directors on May 27, 2017 and are eligible for appointment as Statutory Auditors for the FY 2017-18.

Section 139(1) of the Companies Act, 2013, further provides that the appointment of statutory auditors shall be placed before the members at every AGM for ratification. Accordingly, a resolution seeking members ratification for the continued appointment of M/s. Vijay Agrawal & Co., Chartered Accountants, (FRN No. 138350W), as statutory auditors of the company is included at Item No. 3 of the Notice convening the AGM.

The Board recommends ratification of their appointment as Statutory Auditors at the ensuing Annual General Meeting.

M/s. Vijay Agrawal & Co., Chartered Accountants being the Statutory Auditor of the Company, has audited books for the F.Y. March 31, 2017 and accordingly has submitted Independent Auditor's Report on the same for F.Y. 2016-17. The Board has duly reviewed the Statutory Auditor's Report on the Accounts. The Observations and comments, appearing in the Auditor's Report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors as provided under section 134 of the Act.

➤ **Peer Review Audit**

M/s K.P.R.K. & Associates, Chartered Accountants, from Nagpur (Peer Reviewed by the ICAI, New Delhi) being the Peer Review Auditor of the Company, has submitted Auditor's Report with unmodified opinion and unmodified figures for the F.Y. March 31, 2017 in

compliance of Reg. 33 (1) (d) of SEBI (LODR) Regulations, 2015. The Board has duly reviewed the Auditor's Report and the Observations and comments, appearing in the Auditor's Report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors.

➤ **Secretarial Audit**

Pursuant to the provisions of section 204[1] of the Act read with rule 9 of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, company is required to annex the Secretarial Audit report with its Board Report. Accordingly, the appointment of M/s H. Roshan & Associates, Nagpur has been made by the Board as mentioned above under Material Changes / events after the date of balance Date.

The Secretarial Audit Report given by M/s H. Roshan & Associates, Nagpur for the F.Y. 2016-17 is annexed herewith as "Annexure B". The Board has duly reviewed the Secretarial Auditor's Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors as provided under Section 134 of the Companies Act, 2013.

➤ **Business Risk Management**

The Company has in place a comprehensive Risk Management framework to identify, monitor, review various risk elements. On a periodic basis all necessary steps towards mitigation of various risk elements which can impact the existence of the Company are taken by the Management of the Company. All the identified risks are managed through continuous review of business parameters by the Management and the Board of Directors are also informed of the risks and concerns.

Discussion on risks and concerns is covered separately under section the Management Discussion and Analysis Report, which forms integral part of this Annual Report.

➤ **Insurance**

The Company has taken adequate insurance to cover the risks to its employees, property including land, building and other assets, plant and equipments.

➤ **Internal Control Systems**

The Internal Financial Control systems of the Company are adequate with reference to the Financial Statement, size and operations of the Company. Mr. Sumit Gaidhane, the Internal Auditor of the Company to observe the effective functioning of internal financial controls. The scope and functions of Internal Auditor is defined and reviewed by the Audit Committee.



During the year under review the Internal Financial Control were tested and no reportable material weakness in the design or operation were observed.

➤ Extract of Annual Return

The extract of the Annual Return in Form No.MGT-9 is attached as “Annexure-C” forms part of the Board's Report.

➤ Committees

Pursuant to the provisions of the Act and Rules made there under and SEBI (LODR) regulation, 2015, the board has constituted various committees. Composition and other details on the committee are given in the Corporate Governance Report.

➤ Corporate Social Responsibility

The Annual Report on the CSR activities of the Company, pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed to this report in “Annexure-D”.

➤ Particulars of Employees

The information required under section 197 of the Act read with Rule 5[1] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 is given in “Annexure E” that forms part of the Board's Report.

➤ Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134[3][m] of the

Act read with the Companies [Accounts] Rules, 2014, are provided in the Annexure-“F” that forms part of this Report.

➤ Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace and Internal complaint Committee has been constituted for the prevention and redressal of complaints of sexual harassment and to look after the matters connected therewith or incidental thereto.

➤ Significant and Material Orders

There are no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operation.

➤ Details of Frauds Reported by Auditors

There are no frauds against the Company reported by the Auditors for the period under report.

➤ Acknowledgement:

The Directors express their gratitude to the Dealers, Suppliers and Banks for their support, and express their warm appreciation for the sincere co-operation and dedicated work by a majority of the employees of the Company. Our consistent growth was made possible by their hard work, solidarity, cooperation and support and look forward to their continued support in the future.

For and on behalf of the Board of Directors

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Place: Nagpur

Date: July 18, 2017

 Ajayprakash Kanoria
Chairman & Managing Director

DIN No. : 00041279



Annexure's to the Director's Report

ANNEXURE A- FORM AOC-2

Particulars of Contract or Arrangements with Related Parties

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 arm's length transactions under third proviso thereto;

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
 - (a) Names(s) of the related party and nature of relationship: NA
 - (b) Nature of the contracts/arrangements/transactions: NA
 - (c) Duration of the contracts / arrangements/transactions: NA
 - (d) Salient terms of the contracts or arrangements or transactions including the value, If any: NA
 - (e) Justification for entering into such contracts or arrangements or transactions: NA
 - (f) Date(s) of approval by the Board: NA
 - (g) Amount paid as advances, if any: NA
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

2. Details of the material contracts or arrangements or transactions at arm's length basis:
 - (a) Names(s) of the related party and nature of relationship: Please see Annexure to AOC -2
 - (b) Nature of contracts/Arrangements/ Transactions: Please see Annexure to AOC -2
 - (c) Duration of the contracts /Arrangements/ Transactions: During the financial year 2016-17.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: No salient terms defined for the transactions with the related parties.
 - (e) Date(s) of approval by Audit Committee: May 30, 2016 (Omnibus Approval)
 - (f) Amount paid as advances during the F.Y. 2016-17, if any: Please see Annexure to AOC -2.

For and on behalf of the Board of Directors
For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Place: Nagpur

Date: July 18, 2017

 Ajayprakash Kanoria
Chairman & Managing Director
DIN No. : 00041279

Note: In item 2, material is defined as greater than 10% of the turnover. However, the company has opted to disclose all the transactions with related parties during the year under review.

**ANNEXURE TO AOC -2**

Names(s) of the related party	Nature of relationship	Nature of contracts/ Arrangements / Transactions	Amount paid as advances during the F.Y. 2016-17, if any:	Amount of Transactions (in `)	
				2016-17	2015-16
(a)	(b)	(c)	(f)		
Nagpur Tools Private Limited	Promoter Group Company	Job Work	NIL	48,010,974.00	41,517,458.00
Adishree Engineering Private Limited	Promoter Group Company	Job Work	447,774.00	5,842,718.00	5,468,297.00
Mrs. Snehalata Kanoria	Mother of Mr. Ajayprakash Kanoria, Chairman & Managing Director	Interest on Loan	NIL	15,000.00	15,000.00
Mr. Ajayprakash Kanoria	Chairman & Managing Director	Managerial Remuneration	NIL	8,826,420.00	9,330,694.00
Mrs. Alka Kanoria	Whole-time Director	Managerial Remuneration	NIL	4,730,570.00	5,020,462.00
Mr. Vishnu Sontakke	Chief Financial Officer	Salary	NIL	425,549.00	377,040.00
Ms. Shruti Sohane	Company Secretary	Salary	NIL	288,000.00	240,000.00

For and on behalf of the Board of Directors
For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Place: Nagpur

Date: July 18, 2017

Ajayprakash Kanoria
Chairman & Managing Director
DIN No. : 00041279



ANNEXURE B

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
EMKAY TAPS AND CUTTING TOOLS LIMITED,
Plot No B-27 and B-27/1, MIDC Hingna,
Industrial Estate
Nagpur-440016

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by EMKAY TAPS AND CUTTING TOOLS LIMITED (herein after called 'the Company'). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, and to the best of our information, knowledge and belief and according to the explanations given to me, the Company has, during the audit period covering the financial year ended on 31st March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on March 31, 2017, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- iii. The Depositors Act, 1996 and the Regulations and Bye laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; which is not applicable to the Company;
- v. The following Regulations and Guidelines prescribed

under Securities and Exchange Board of India Act, 1992, (SEBI Act):

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- iii. The Securities and Exchange Board of India (Issue of capital and Disclosure of requirements) Regulations, 2009*
- iv. The Securities and exchange Board of India (Employees Stock option scheme and employees stock purchase scheme) Guidelines, 1999*.
- v. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations 2008*.
- vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
- vii. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009*.
- viii. The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998*.

(Note: * Not applicable to the company during the year under review)

Industry Specific Acts

As the Company is engaged in manufacturing business, the Company is covered by all the financial and general laws applicable to Manufacturing Company, but there is no industry specific act applicable to the Company.

I have also examined compliance with the applicable clauses of the following –



- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- ii. Listing agreement entered into by the Company with National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

I further report that:

- ✦ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors

that took place during the period under review were carried out in compliance with the provisions of the Act.

- ✦ Adequate notice was given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee(s) Meetings are carried through unanimously as recorded in the meetings of the Board and Committee(s) of the Board, as the case may be.

I further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Nagpur July 15, 2017
Address: G. Floor, Business Plaza,
6, Farmland, Central Bazar Road,
Lokmat Square, Nagpur-440010

For H. ROSHAN & ASSOCIATES
Company Secretaries

✍️ ROSHAN HARDE
(PARTNER)

Membership No. 34630, CP. No. 13138



Annexure To The Secretarial Audit Report

Our Secretarial Audit Report of even date is to be read along with this letter.

- a. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
- b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for our opinion.
- c. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is a part of financial audit.

- d. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc., wherever required.
- e. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Nagpur July 15, 2017
Address: G. Floor, Business Plaza,
6, Farmland, Central Bazar Road,
Lokmat Square, Nagpur-440010

For H. ROSHAN & ASSOCIATES
Company Secretaries

 ROSHAN HARDE
(PARTNER)

Membership No. 34630, CP. No. 13138

**ANNEXURE-C****FORM NO.MGT-9****EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2017**

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

I. REGISTRATION AND OTHER DETAILS

CIN	L29220MH1995PLC091091
Registration Date	27-07-1995
Name of the Company	Emkay Taps And Cutting Tools Limited
Category/Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
Address of the Registered office and contact details	Plot No B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur-440016, Maharashtra Tel.: 07104237584, Email ID: investors@emkaytapsandtools.com Website: www.emkaytapsandtools.com
Whether listed company	Yes
Name, Registered office Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited E/23 Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072, Maharashtra Tel: 022 62638200 Fax : 022 62638299 Email Id: info@bigshareonline.com Website:

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:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/Service	% to total turnover of the company
1.	Taps and Cutting Tools	3570*	92.55%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary / Associate	% of shares held	Applicable Section
			NIL		

*As per Revised National Industrial Classification - 1987

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)****i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2016)				No. of shares held at the end of the year (As on March 31, 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	0	0	0	0.00	0	0	0	0.00	0
a) Individual/ HUF	1049950	0	1049950	59.03	1052750	0	1052750	59.19	0.16
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0
d) Bodies Corporate	256650	0	256650	14.43	265450	0	265450	14.93	0.49
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1)	1306600	0	1306600	73.46	1318200	0	1318200	74.12	0.66
(2) Foreign	0	0	0	0.00	0	0	0	0.00	0
a) NRIs Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any Other	0	0	0	0.00	0	0	0	0.00	0
Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0
Total shareholding of Promoter (A)=(A1)+(A2)	1306600	0	1306600	73.46	1318200	0	1318200	74.12	0.66
B. Public Shareholding									
1. Institutions	0	0	0	0.00	0	0	0	0.00	0
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0



Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2016)				No. of shares held at the end of the year (As on March 31, 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIs	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
Sub-total (B) (1)	0	0	0	0.00	0	0	0	0.00	0
Non-Institutions									
a) Bodies Corporate	153200	0	153200	8.61	183600	0	183600	10.32	1.71
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individual Shareholders	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual Shareholders holding Nominal Share Capital up to `2,00,000.00	105950	0	105950	5.96	121150	0	121150	6.81	0.85
ii) Individual Shareholders holding Nominal Share Capital in excess of `2,00,000.00	212800	0	212800	11.96	154000	0	154000	8.66	(3.31)
c) Others - NRIs	0	0	0	0.00	0	0	0	0.00	0.00
d) Clearing Member	0	0	0	0.00	1600	0	1600	0.09	0.09
Sub-total (B)(2)	471950	0	471950	26.53	460350	0	460350	25.88	0.65
Total Public Shareholding (B)=(B1)+(B2)	471950	0	471950	26.53	460350	0	460350	25.88	0.65
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
Grand Total (A+B+C)	1778550	0	1778550	100.00	1778550	0	1778550	100.00	(0.00)



ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year (As on April 1, 2016)			No. of shares held at the end of the year (As on March 31, 2017)			%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 Company	%of total Shares of the Company	%of Shares Pledged/encumbered to total shares	
1.	Ajayprakash Kanoria	96375	5.42	0	96375	5.42	0	0.00
2.	Ajayprakash Kanoria HUF	765960	43.07	0	768760	43.22	0	0.16
3.	Alka Kanoria	187365	10.53	0	187365	10.53	0	0.00
4.	Nagpur Tools Pvt. Ltd.	256400	14.42	0	265200	14.91	0	0.49
5.	Adishree Engineering Pvt. Ltd.	250	0.01	0	250	0.01	0	0.00
6.	Apoorvashree Kanoria	250	0.01	0	250	0.01	0	0.00
	Total	1306600	73.46	0	1052750	74.12	0	0.66

iii) Change in Promoter's Shareholding

Name	Shareholding at the beginning of the year (As on 01-04-2016)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)				
	No. of Shares	% of total shares of the company	Date	Increase/Decrease in Shareholding	Reason for Increase	No. of Shares	% of total shares of the company
Ajayprakash Kanoria	96375	5.42	NA	Nil	NA	96375	5.42
Ajayprakash Kanoria HUF	765960	43.07	16.02.2017 28.03.2017	400 2400	Open Market purchase	768760	43.22
Alka Kanoria	187365	10.53	NA	Nil	NA	187365	10.53
Nagpur Tools Pvt. Ltd.	256400	14.42	27.12.2017 06.01.2017	4000 4800	Open Market purchase	265200	14.91
Adishree Engineering Pvt Ltd.	250	0.01	NA	Nil	NA	250	0.01
Apoorvashree Kanoria	250	0.01	NA	Nil	NA	250	0.01



iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and promoter Group and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding at the beginning of the year (As on April 1, 2016) /at the end of the year (March 31, 2016)		Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sudarshan Trading And Manufacturing Pvt. Ltd.				
	At the beginning of the Year	80400	4.52	80400	4.52
	Add: Purchase of shares (Market Purchase)	0	0.00	40400	2.27
	Less: Sale of Shares (Market sale)	0	0.00	4400	0.25
	At the End of the Year	80400	4.52	116400	6.54
2.	Brajkishore Agrawal				
	At the beginning of the Year	51200	2.88	51200	2.88
	Add: Purchase of shares (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares (Market sale)	0	0.00	0	0.00
	At the End of the Year	51200	2.88	51200	2.88
3.	Vibrant Global Capital Ltd.				
	At the beginning of the Year	45600	2.56	45600	2.56
	Add: Purchase of shares (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares (Market sale)	0	0.00	0	0.00
	At the End of the Year	45600	2.56	45600	2.56
4.	Naginadevi Agrawal				
	At the beginning of the Year	41200	2.32	41200	2.32
	Add: Purchase of shares (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares (Market sale)	0	0.00	0	0.00
	At the End of the Year	41200	2.32	41200	2.32
5.	Rohit Agrawal				
	At the beginning of the Year	22400	1.26	22400	1.26
	Add: Purchase of shares (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares (Market sale)	0	0.00	12400	0.70
	At the End of the Year	22400	1.26	10000	0.56
6.	Nikhil Shashi Agrawal				
	At the beginning of the Year	22000	1.24	22000	1.24
	Add: Purchase of shares (Market Purchase)	0	0.00	1200	0.07
	Less: Sale of Shares (Market sale)	0	0.00	800	0.05
	At the End of the Year	22000	1.24	22000	1.26
7.	Shashi Bhushan Omprakash Agrawal				
	At the beginning of the Year	15600	0.88	15600	0.88
	Add: Purchase of shares (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares (Market sale)	0	0.00	0	0.00
	At the End of the Year	15600	0.88	15600	0.88



Sr. No.	Name	Shareholding at the beginning of the year (As on April 1, 2016) /at the end of the year (March 31, 2016)		Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Priya Viniyog Pvt Ltd. At the beginning of the Year Add: Purchase of shares (Market Purchase) Less: Sale of Shares (Market sale) At the End of the Year	13,200 0.00 0.00 13,200	0.74 0.00 0.00 0.74	13,200 0.00 0.00 13,200	0.74 0.00 0.00 0.74
9.	Vinodkumar Ranchhoddas Mohota At the beginning of the Year Add: Purchase of shares (Market Purchase) Less: Sale of Shares (Market sale) At the End of the Year	12,800 0.00 0.00 12,800	0.72 0.00 0.00 0.72	12,800 0.00 0.00 12,800	0.72 0.00 0.00 0.72
10.	Tushar Anuj Badjate At the beginning of the Year Add: Purchase of shares (Market Purchase) Less: Sale of Shares (Market sale) At the End of the Year	10800 0 0 10,800	0.61 0.00 0.00 0.61	10800 0 3600 7200	0.61 0.00 0.20 0.41
11.	Veenadevi Vinodkumar Mohota At the beginning of the Year Add: Purchase of shares (Market Purchase) Less: Sale of Shares (Market sale) At the End of the Year	10,800 0 0 10,800	0.61 0.00 0.00 0.61	10,800 0 0 10,800	0.61 0.00 0.00 0.61
12.	Shantilal S Badjate At the beginning of the Year Add: Purchase of shares (Market Purchase) Less: Sale of Shares (Market sale) At the End of the Year	10800 0 0 10,800	0.61 0.00 0.00 0.61	10800 0 3600 7200	0.61 0.00 0.20 0.41
13.	Priti Anuj Badjate At the beginning of the Year Add: Purchase of shares (Market Purchase) Less: Sale of Shares (Market sale) At the End of the Year	10800 0 0 10,800	0.61 0.00 0.00 0.61	10800 0 3600 7200	0.61 0.00 0.20 0.41
14.	Anuj Shantilal Badjate At the beginning of the Year Add: Purchase of shares (Market Purchase) Less: Sale of Shares (Market sale) At the End of the Year	10800 0 0 10,800	0.61 0.00 0.00 0.61	10800 0 3600 7200	0.61 0.00 0.20 0.41
15.	Shashi Bhushan O. Agrawal At the beginning of the Year Add: Purchase of shares (Market Purchase) Less: Sale of Shares (Market sale) At the End of the Year	400 0 0 10,800	0.02 0.00 0.00 0.61	400 9600 0 10000	0.02 0.54 0.00 0.56



v) Shareholding of Directors and Key Managerial Personnel (KMPs)

Sr. No.	Name	Shareholding at the beginning of the year i.e. as on 01-04-16		Date	Increase /Decrease in share-Holding during the year	Reason	Cumulative Shareholding during the year (2016-17)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total Shares of the Company
A.	DIRECTORS							
1.	Ajayprakash Kanoria	96375	5.42	NA	NIL	NA	96375	5.42
2.	Alka Kanoria	187365	10.53	NA	NIL	NA	187365	10.53
B.	KEY MANAGERIAL PERSONNEL (KMP)					NIL		

V. INDEBTEDNESS

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

(Amount in `)

Particulars	Amount (` In crores)			
	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
i) Principal Amount	2.2536	0.0127	0.0000	2.2663
ii) Interest due but not paid	0.0000	0.0014	0.0000	0.0014
iii) Interest accrued but not due	0.0000	0.0000	0.0000	0.0000
TOTAL (i +ii + iii)	2.2536	0.0141	0.0000	2.2677
Change in Indebtedness during the financial year				
Addition	5.0798	0.0000	0.0000	5.0798
Reduction	2.2427	0.0014	0.0000	2.2441
Net Change	2.8371	0.0014	0.0000	2.8357
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount	5.0907	0.0127	0.0000	5.1034
ii) Interest due but not paid	0.0000	0.0014	0.0000	0.0014
iii) Interest accrued but not due	0.0000	0.0000	0.0000	0.0000
TOTAL (i +ii+ iii)	5.0907	0.0141	0.0000	5.1048

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Ajayprakash Kanoria	Alka Kanoria	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,600,000.00	1,200,000.00	4,800,000.00
	(b) Value of perquisites u/s. 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of Profit	-	-	-
	- Others	-	-	-
5.	Others:			
	% of Net Profit	5,226,420.00	3,530,570.00	8,756,990.00
	TOTAL (A)	8,826,420.00	4,730,570.00	13,556,990.00

B. Remuneration to other directors

Sr. No.	Name of Director	Particulars of Remuneration		Total Amount Paid (₹)
		Fee for attending Board / Committee Meetings	Commission Others, if any specify	
1.	Independent Directors			
a.	Mahesh Mor	19,000.00	0.00	19,000.00
b.	Rahul Bagdia	4,500.00	0.00	4,500.00
c.	Ravindra Loiya	6,000.00	0.00	6,000.00
d.	P.C. Ramchandran	5,000.00	0.00	5,000.00
	Total (1)	34,500.00	0.00	34,500.00
2.	Other Non-Executive Directors		NA	
	Total (2)	NIL	NIL	NIL
	TOTAL (B)=(1+2)	34,500.00	0.00	34,500.00
	TOTAL MANAGERIAL REMUNERATION	(A+B)		13,591,490.00
	OVERALL CEILING AS PER THE COMPANIES ACT, 2013 (As per section 197 and 198)	11% of Net Profit		18,833,213.18

**C. Remuneration To Key Managerial Personnel Other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel Amount in lakhs (`)		
		CS	CFO	Total
1.	Gross salary	2.88	4.26	7.14
a.	Salary as per provisions contained in section 17(1) of the Incometax Act, 1961	-	-	-
b.	Value of perquisites u/s 17(2) Incometax Act, 1961	-	-	-
c.	Profits in lieu of salary under section 17(3) Incometax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
a.	As % of profit	-	-	-
b.	Others, specify	-	-	-
5.	Others, please specify	-	-	-
	TOTAL	2.88	4.26	7.14

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any		
A.COMPANY							
Penalty Punishment Compounding				NIL			
B.DIRECTORS							
Penalty Punishment Compounding							
C. OTHER OFFICERS IN DEFAULT							
Penalty Punishment Compounding							

**ANNEXURE D****ANNUAL REPORT ON CSR ACTIVITIES**

1. Outline of the CSR policy:
 - ❖ The Corporate Social Responsibility (CSR) Policy of the Company covers the causes that Company may pursue as its CSR.
 - ❖ Based on the profit for each financial year, the CSR Committee shall indicate the amount to be spent during the year.
 - ❖ The procedure for approval of the project(s), investment/incurring costs and monitoring is also laid down in the policy.
 - ❖ The said CSR Policy and the activity to be pursued by the Company are placed under the web link:http://emkaytapsandtools.com/wp-content/uploads/2016/02/CSR-Policy_ETCTL.pdf
2. The Committee consists of the following Directors:
 - i) Mr. Ajayprakash Kanoria, Chairman
 - ii) Mr. Alka Kanoria, Member
 - iii) Mr. Mahesh Mor, Member
3. Average net profit of the Company for last three financial years: ` 13,22,59,873.83/-
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): ` 26,45,197.4766/-
5. Details of CSR spent during the financial year :
 - A. Total Amount to be spent for the Financial Year: ` 25,99,766/-
 - B. Amount Unspent, if any: ` 45431.48/-
 - C. Reason for not Spending the Entire Two Per Cent of the Average Net Profit of the Last Three Financial Years or any part thereof:

The CSR Committee of the Company has taken measured approach to build the CSR project pipeline. The resources deployed, the amount spent and locations covered has shown a remarkable increase over the previous Financial Year with subtle unspent amount.

The unspent amount of prescribed CSR expenditure is insignificant and hence does not call for clarification.

In coming times, the Company shall continue to assess fresh projects and explore new geographies for undertaking CSR activities under CSR Policy of the Company and shall always remain committed to meet its CSR obligations on annual basis.
 - D. Manner in which the Amount spent during the Financial Year is detailed below: Annexure to Annual Report on CSR activities.

6. Responsibility Statement:

The CSR Committee of the Company hereby states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Ajayprakash Kanoria
Chairman of CSR Committee

**ANNEXURE TO ANNUAL REPORT ON CSR ACTIVITIES**

Sr. No.	CSR project or Activity Identified	Sector in which the Project is covered	Locality/ Area/ State where CSR activity undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects /Programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Watershed Management project and Drought Relief Work	Water Resource Management and Sustainable livelihood for tribal farmers	Jalka Village, Yavatmal District Maharashtra State	5,00,000.00	Donation given to Dilasa Sanstha for implementation of the project	5,00,000.00	Dilasa Sanstha, Ghatanji
2.	Subsequent funding in Watershed Management project and Drought Relief Work	Water Resource Management and Sustainable livelihood for tribal farmers	Jalka Village, Yavatmal District Maharashtra State	5,00,000.00	Donation given to Dilasa Sanstha for implementation of the project	5,00,000.00	Dilasa Sanstha, Ghatanji
3.	Financial Assistance to Blood Bank for purchase of Centrifuge Machine	Promoting Health Care	Nagpur, Maharashtra	11,00,000.00	Donation given to Hedgewar Blood Bank for purchase of Centrifuge Machine	11,00,000.00	Hedgewar Blood Bank Nagpur
4.	Providing safe & clean drinking water purification solutions	Making available safe drinking water	Ghosri Village in Tadoba Andhari Tiger Reserve Buffer Zone of District Chandrapur	4,99,766.00	Donation given to Eureka Forbes Institute of Environment for purchase and installation of water purifiers	4,99,766.00	Rotary Club of Nagpur in association with Eureka Forbes Institute of Environment
TOTAL CSR SPENDING in F.Y. 2016-17						25,99,766.00	

Implementation Agency:

1. Dilasa Sanstha, a public charitable trust registered under Societies Registration Act, established in 1995
2. Eureka Forbes Institute of Environment established in 2000
3. Hedgewar Blood Bank established in 1980
4. Rotary club of Nagpur also acting as Monitoring Agency established in 1944.

**ANNEXURE E****PARTICULARS OF EMPLOYEES**

*Pursuant to Section 197 of the Companies Act read with Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014*

1. A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year; and
- B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the F.Y. 2016-17.
- C. The median remuneration of employees for this financial year is ` 282,447/-

(Amount in `)

Sr. No.	Name	Designation	Total Remuneration (in `)	Ratio of Directors Remuneration to Median remuneration (A)	% increase in the remuneration (B)
I	EXECUTIVE DIRECTOR				
1.	Mr. Ajayprakash Kanoria	Chairman & Managing Director	8,826,420.00	31.25	NA
2.	Mrs. Alka Kanoria	Whole-time Director	4,730,570.00	16.75	NA
II	NON-EXECUTIVE DIRECTOR*				
3.	Mr. Mahesh Mor	Independent Director	19,000.00	NA	NA
4.	Mr. Rahul Bagdia	Independent Director	4,500.00	NA	NA
5.	Mr. Ravindra Loiya	Independent Director	6,000.00	NA	NA
6.	Mr. P.C. Ramchandran	Independent Director	5,000.00	NA	NA
III	KEY MANAGERIAL PERSONNEL				
7.	Mr. Vishnu Sontakke	Chief Finance Officer	425,549.00	NA	12.87%
8.	Ms. Shruti Sohane	Company Secretary	288,000.00	NA	20%

2. The percentage increase in the median remuneration of employees in the financial year is given below:

Median Remuneration (`)		% Increase In The Median Remuneration For Fiscal 2016-17
2016-17	2015-16	
276,893.00	272,622.00	1.57%
288,000.00	273,000.00	5.49%



3. The number of permanent employees on the rolls of company as on March 31, 2017 : Sixty Five (65)
4. In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows:

Sr. No.	Name	Designation	Remuneration ()	Nature Employment/ Date of Commencement / Last employment held	Qualification/ Experience/ Age	% of Equity Shares held	Relative of any Director or Manager and if so Name of such Director/ Manager
1.	Ajayprakash Kanoria	Chairman & Managing Director	8,826,420.00	Permanent/ Appointed as Director since incorporation i.e. July 27, 1995/ before joining the Company was proprietor of EMKAY TOOLS	B.Com., Chartered Accountant (Intermediate) has 37 years of experience and has completed Age: 60 years	48.64%	*Yes, husband of Alka Kanoria, Whole-time director
2.	Alka Kanoria	Whole-time Director	4,730,570.00	Permanent, Appointed as Whole-time Director of the Company as on December 12, 2000 and her tenure as Whole-time Director is fixed for 5 Years w.e.f April 1, 2014	Bachelor's Degree of Science, 27 years of Experience, Age: 58 Years	10.53%	Wife of Mr. Ajay-prakash Kanoria, Chairman & Managing Director
3.	S.P. Sontakke	Regional Manager (Sales)	1,847,842.00	Permanent, Joined as fresher in 1991	B.com, D.B.M 26 years of experience, Age: 48 years	Nil	No
4.	Praveen Kumar Tiwari	Regional Manager (Sales)	1,159,578.00	Permanent Joined in August 2015, Previously employed at Hitco Tools Ltd	Diploma in Engineering, 12 years experience, Age: 36 years	Nil	No
5.	Dhananjay Mane	Production Engineer	1,103,978.00	Permanent Joined May 2001, Previously employed at Mccano Automobiles	B.E. Mechanical, 20 years experience Age: 42 years	Nil	No
6.	Vilas Yeskade	Production Engineer	1,100,619.00	Permanent, Joined as fresher in October 1999	Diploma in Mechanical Engineering, 18 years Age: 40 yr	Nil	No



Sr. No.	Name	Designation	Remuneration (₹)	Nature Employment/ Date of Commencement / Last employment held	Qualification/ Experience/ Age	% of Equity Shares held	Relative of any Director or Manager and if so Name of such Director/ Manager
7.	Prakash Tiwari	Sales Executive/ Sales Co-ordinator	976,185.00	Permanent Joined as fresher May 1995	M.com, Qualified in Management Technology 25 years experience Age: 44 years	Nil	No
8.	Vishal Patil	Sr. Application Engineer	691,938.00	Permanent, Joined in 2007, Previously employed at Nivita Engineering Pvt. Ltd.	Diploma Mechanical Engineering, 12 years Experience, Age: 42 years	Nil	No
9.	Vinay Selkar	Design Engineer Auto Cad	667,661.00	Permanent Joined in March 2010, Previously employed at ADCC Infocad Ltd.	B.E. Mechanical, 8 years experience, Age: 33years	Nil	No
10.	Yash Nag	Regional Manager (Sales)	551,057.00	Permanent, Joint in November 2014, Previously employed at Miranda FEW Tools Pvt. Ltd.	MBA Marketing, 27 years Experience, Age: 50 years	Nil	No

5. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	Average % increase / decrease in salaries for fiscal 2016-17
All permanent Employees	15.96%
Executive Directors/ Managerial Remuneration	
Mr. Ajayprakash Kanoria	NA
Mrs. Alka Kanoria	NA

6. Affirmation that the remuneration is as per the remuneration policy of the Company:
The remuneration(s), of the Managing Director ("MD")/ Whole-time Director ("WTD")/ KMP/ rest of the employees, are as per the Nomination and Remuneration Policy of the Company.

**ANNEXURE F****PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO,**

Pursuant to Section 134(3) (m) of the Companies Act, 2013 and the rules made therein and forming part of the Directors' Report for the year ended March 31, 2017.

❖ CONSERVATION OF ENERGY

▶ Steps taken or impact on conservation of energy:

The Company has always been conscious about the conservation of energy. Strong efforts are continued for the conservation of energy. A systematic effort is instituted to switch over for lighting purposes to LED lights.

▶ Steps taken by the Company for utilizing the alternate sources of energy:

Company is negotiating to install solar panels in the company to be used for office premises of the company.

▶ Capital investment on energy conservation equipment's: NIL

❖ TECHNOLOGY ABSORPTION

▶ Efforts made towards technology absorption:

The company uses the latest machineries to improve the production cycle & productivity. During the year, company has planned for expansion that would result in technology upgradation.

▶ Benefits derived like product improvement, cost reduction, product development or import substitution:

It is a continuous process and company is largely benefited by the technology absorption.

▶ Information regarding technology imported during last three year's: NIL

▶ The expenditure incurred on Research and Development: NIL

❖ FOREIGN EXCHANGE EARNINGS AND OUTGOING

Amount in Crores (`)

PARTICULAR	2016-17	2015-16
Total Foreign Exchange Outgo	9.56	8.18
Total Foreign Exchange Earned	0.88	2.79



CORPORATE GOVERNANCE REPORT 2016-17

PHILOSOPHY

The Company's philosophy on the 'Corporate Governance' is based on compliance of applicable provisions, exchange of relevant information and timely appropriate disclosures to the regulator(s), each group of stakeholders and Public at large, connected with the area of common interest/stake between the Company and the Stakeholder.

The Company is led by a distinguished Board, which includes independent directors. The Company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide management the strategic direction it needs.

As per regulation 15(2) and 15(2) (b) of SEBI (LODR) regulation, 2015 Para C, D, E of Schedule V of the regulation shall not apply to SME listed companies. The Company has voluntary opted to give the CGR-2016-17 as a good corporate governance practice. In terms of regulation 34(3) of SEBI (LODR) regulation, 2015 the details of compliances, are as follows:-

BOARD OF DIRECTORS

❖ Composition of the Board

As on date of signing this report, the Company's Board comprised of 6(Six) Directors viz., a Managing Director, a Whole time Director and three (3) Non-Executive Independent Directors. The Managing Director is the Chairman of the Company.

The composition of the Board is as per the provisions of section 149 of the Companies Act, 2013 and is in conformity with regulation 17 of SEBI (LODR) regulation, 2015 which stipulates that: (i) the Board should have at least a woman director; (ii) not less than 50% of the Directors should be Non-Executive Directors; and (iii) where the Chairman of the Board is a Executive Director not related to the promoter group, at least half of the Board should comprise of independent directors.

❖ Number of Board Meetings

During the financial year from 1st April, 2016 to 31st March 2017, the Board of Directors met four times on May 30, 2016, August 8, 2016, November 10, 2016 and February 18, 2017. The maximum time gap between any two consecutive board meetings was less than 120 days.

❖ Code of conduct for Board Members and Senior Management Personnel

The Board had approved a code of conduct for Board Members and Senior Management Personnel of the company which also incorporates the duties of Independent directors as laid down in Companies act, 2013. The Code has been displayed on the company's website www.emkaytapsandtools.com

The Board Members and Senior Management Personnel have affirmed compliance with the aforesaid code. A declaration signed by the CEO & Managing Director in this regard is attached and forms part of this Report.

Directors' Attendance Record and Directorships held, Composition and other details of the Board of Directors:

Sr. No.	Name of the Director	Category/ Status of Directorship	No. of Board Meetings attended during the F.Y. 2016-17	No. of Directorship(s) in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies		No. of Equity Shares held in the Company as on March 31, 2017
					Chairman	Member	
1.	Ajayprakash Kanoria	Chairman & Managing Director	4	Nil	Nil	Nil	96,375
2.	Alka Kanoria	Whole Time Director	2	Nil	Nil	Nil	1,87,365
3.	Rahul Bagdia	Non- Executive Independent Director	1	Nil	Nil	Nil	0



Sr. No.	Name of the Director	Category/ Status of Directorship	No. of Board Meetings attended during the F.Y. 2016-17	No. of Directorship(s) in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies		No. of Equity Shares held in the Company as on March 31, 2017
					Chairman	Member	
4.	Mahesh Mor	Non-Executive Independent Director	4	Nil	Nil	Nil	0
5.	Ravindra Loiya	Non- Executive Independent Director	2	Nil	Nil	Nil	0
6.	P.C. Ramchandran [^]	Non- Executive Independent Director	2	Nil	Nil	Nil	0

BOARD LEVEL COMMITTEES

The Company has the following Board Level Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder's Relationship Committee
- Corporate Social Responsibility Committee
- Management Committee

The Board of the Company takes all decisions with regard to

constituting, assigning, co-opting, delegating and fixing the terms of reference of the Committees. Recommendations / decisions of the Committees are submitted / informed to the Board for approval / information.

► **Audit Committee**

The Audit Committee of the Board of Directors met four times during the F.Y. under review viz, May 30, 2016, August 8, 2016, November 10, 2016 and February 18, 2017. The maximum time gap between any two consecutive meetings was less than 120 days.

❖ **Composition of Audit Committee and Directors' Attendance Record in Committee meeting:**

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2016-17
1.	Mr. Mahesh Mor	Non-Executive-Independent Director	Chairman	4
2.	Mr. Rahul Bagdia	Non-Executive-Independent Director	Member	1
3.	Mr. Ajayprakash Kanoria	Chairman & Managing Director	Member	4

The terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Clause 52 of the Listing Agreement. The role of the Audit Committee is to provide oversight over the accounting systems, financial reporting and internal controls of the Company. The powers and role of the Audit Committee are as set out in the Listing Agreement and Section 177 of the

Companies Act, 2013.

The Company Secretary acts as the Secretary to the Committee. Mr. Mahesh Mor, Chairman of the Audit Committee, possesses accounting and financial management expertise and all the members of the Committee also have accounting and financial knowledge.

Note: [^] Mr. P.C. Ramchandran joined the Board of the company w.e.f. September 10, 2016



► **Nomination and Remuneration/Compensation Committee**

The Nomination and Remuneration Committee of the Company met two times during the F.Y. 2016-17 on August 8, 2016 and February 18, 2017.

Composition of Committee and Directors' Attendance Record in Committee meeting:

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2016-17
1.	Mr. Mahesh Mor	Non-Executive-Independent Director	Chairman	2
2.	Mr. Rahul Bagdia	Non-Executive-Independent Director	Member	1
3.	Mr. Ravindra Loiya	Non-Executive-Independent Director	Member	1

The terms of reference of the Committee are in line with the provisions of the Clause 52 of the Listing Agreement and Section 178 of the Companies Act, 2013 and the Rules made thereunder.

• **Terms of Reference:**

- ✓ Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluations of every director's performance.
- ✓ Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for directors, KMPs and other employees.
- ✓ Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- ✓ Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- ✓ Decide the amount of Commission payable to the Whole time Directors.
- ✓ Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- ✓ To formulate and administer the Employee Stock Option Scheme.

• **Nomination and Remuneration Policy**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto, as amended from time to time and clause 52 of the listing agreement.

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

- ✓ Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ✓ Chief Financial Officer;
- ✓ Company Secretary; and
- ✓ Such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team, excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective

The objective of the policy is to ensure that:

- ✓ the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors to run the company successfully;
- ✓ relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- ✓ 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.



Role of the Committee

The role of the NRC will be the following:

- ✓ To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- ✓ To formulate criteria for evaluation of Independent Directors and the Board.
- ✓ To carry out evaluation of Director's performance.
- ✓ To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- ✓ To recommend to the Board the appointment and removal of Directors and Senior Management.
- ✓ To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- ✓ To devise a policy on Board diversity, composition, size.
- ✓ Succession planning for replacing Key Executives and overseeing.
- ✓ To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.

Appointment and Removal of Director, Key Managerial Personnel and Senior Management

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/ her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/ Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Term/Tenure

- a) **Managing Director/Whole-time Director:**
The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:**
An Independent Director shall hold office for a term up

to the term fixed by the Board of Directors as prescribed under the Act, and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiration of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Evaluation

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy for Remuneration to Directors/KMP/ Senior Management Personnel

1. **Remuneration to Managing Director / Whole-time Directors:**
 - I. The Remuneration/Commission etc. to be paid to Managing Director/Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - II. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
2. **Remuneration to Non- Executive / Independent Directors:**
 - a. The Non-Executive/ Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as



may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case maybe.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any remuneration paid to Non-Executive/ Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (III) above if the following conditions are satisfied:

1. The Services are rendered by such Director in his capacity as the professional; and
 2. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- c. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share based

payments to be made to Directors (other than Independent Directors).

3. Remuneration to Key Managerial Personnel and Senior Management:
 - a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
 - c. The Fixed pay may include monthly remuneration, employer's contribution to Provident Fund contribution to pension fund, pension schemes, etc. as decided from to time.
 - d. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Implementation

- ✓ The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- ✓ The Committee may Delegate any of its powers to one or more of its members.

▶ Stakeholders' Relationship Committee

The Committee met once on February 18, 2017 at the registered office of the company which was attended by Mr. Mahesh Mor and Mr. Rahul Bagdia. The Stakeholders' Relationship Committee comprised as under:-

Sr. No.	Name of Director	Designation	Position in Committee
1.	Mr. Mahesh Mor	Non-Executive-Independent Director	Chairman
2.	Mr. Rahul Bagdia	Non-Executive-Independent Director	Member
3.	Mr. Ravindra Loiya	Non-Executive-Independent Director	Member

Ms. Shruti Sohane Company Secretary is the Compliance Officer of the Company and also acts as secretary to the Committee. Investors grievance status report as appearing on SCORES and as reported by the RTA during the year under review is as follows:



Category of Complaint(s)	No. of Complaint(s) Received	No. of Complaint(s) Resolved	No. of Complaint(s) Pending
NA	Nil	NA	NA
Total :	Nil	NA	NA

► **Corporate Social Responsibility Committee**

The Committee met for two times on April 28, 2016 and February 18, 2017 during the year under review. A detailed annual report on CSR during F.Y. 2016-17 form part of this

Annual Report and the CSR Policy approved and adopted by the Board on recommendation of the CSR Committee, indicating the activities to be undertaken by the Company, can be referred on our website www.emkaytapsandtools.com

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2016-17
1.	Mr. Ajayprakash Kanoria	Chairman & Managing Director	Chairman	2
2.	Mrs. Alka Kanoria	Whole- Time Director	Member	1
3.	Mr. Mahesh Mor	Non-Executive-Independent Director	Member	2

► **Management Committee**

The Committee met five (5) times in the F.Y. 2016-17 on April 19, 2016, August 26, 2016, October 15, 2016, February 20, 2017 and March 23, 2017.

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2016-17
1.	Mr. Ajayprakash Kanoria	Chairman & Managing Director	Chairman	5
2.	Mrs. Alka Kanoria	Whole-Time Director	Member	5

❖ **Remuneration of Managing and Whole Time Director**

The details of remuneration paid from 1st April, 2016 to 31st March, 2017 are given below:

Name and Designation	Ajayprakash Kanoria Chairman & Managing Director	Alka Kanoria Whole-Time Director
Particulars	Amount (In `)	
Basic Salary	3,600,000	1,200,000
Perquisites & Allowances	0	0
% of Net Profit	5,226,420	3,530,570
Contribution to PF and superannuation fund	28,800	21,600
Total	8,855,220	4,752,170

❖ **Sitting fees to Non-Executive Directors**

The Board of Directors at its meeting held on 23rd April, 2015 has fixed the sitting fee payable to non-executive independent directors for attending meetings of the

Board and its Committees. The sitting fee structure as payable to the Non-Executive Independent Directors on the Board of the Company is as follows:

Sr. No.	Name	Designation	Name of the Meeting		Amount payable per meeting (`)	
			Meeting of Board of Directors	Meeting of all Committees	Board Meeting	Committee Meetings
1.	Mr. Mahesh Mor	Non-Executive Independent Director	4	9	2,500	1,000
2.	Mr. Rahul Bagdia	Non-Executive Independent Director	1	2	2,500	1,000
3.	Mr. Ravindra Loiya	Non-Executive Independent Director	2	1	2,500	1,000
4.	Mr. P. C. Ramchandran	Non-Executive Independent Director	2	NA [^]	2,500	NA [^]

❖ **Subsidiary**

The Company has no subsidiary company.

❖ **Related Party Transactions**

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company.

Your attention is drawn to "Annexure A- Form AOC-2" which sets out Related Party disclosures.

❖ **Management Discussion and Analysis**

Detailed chapter on Management Discussion and Analysis is provided in the Annual Report.

❖ **Share Reconciliation Audit**

As stipulated by SEBI, Mr. Roshan Harde, Qualified Practicing Company Secretary from Nagpur; carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository

Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the NSE (India) Limited. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form.

❖ **Investors Complaints**

There were no complaints received during year under review and no pending complaints as on March 31, 2017. To facilitate the shareholders, Stakeholders Relationship Committee, headed by Mr. Mahesh Mor has been formed. Further, stakeholders may contact Ms. Shruti Sohane, the Company Secretary and Compliance Officer for redressal of Investors Grievances at investor@emkaytapsandtools.com

❖ **Mandatory Requirements of SEBI (LODR) Regulation, 2015**

The company has complied with all applicable mandatory requirements of Regulation 34 and schedule V of SEBI (LODR) Regulation, 2015.

[^] Not member in any committee of the Board of Directors

❖ **General Body Meetings**

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time
19TH	March 31, 2014	Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate, Nagpur-440016	September 30, 2014	04:00 PM
20TH	March 31, 2015	Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate, Nagpur-440016	September 29, 2015	12:30 PM
21ST	March 31, 2015	Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate, Nagpur-440016	September 10, 2016	12:30 PM

❖ **Special Resolutions**

No special resolutions were passed by the Company during the last three Annual General Meetings (AGM) of the Company.

❖ **Postal Ballot**

No resolution requiring postal ballot was placed before the last Annual General Meeting. No resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

❖ **Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration/ Compensation Committee, Stakeholder Relation Committee, CSR Committee and the Management Committee. Annual performance evaluation of the Directors individually as well as its committees has been carried out by the Board.

❖ **Criteria For Evaluation:**

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and the Board.

1. Attendance and contribution at Board and Committee meetings.
2. His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
3. His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.

6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
7. Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
11. His/her contribution to enhance overall brand image of the Company.

❖ **Disclosures**

Whenever and wherever necessary and required by the Statute(s), the Directors and Senior Management Personnel makes disclosures to the Board of Directors relating to all the material financial and commercial transactions where they have a personal interest that may create a potential conflict with the interest of the Company at large.

All the related party transactions have been disclosed in the notes to the accounts of the Balance Sheet presented in the Annual Report. All the Directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and Rules made thereunder and as and when any changes in their interests take place, they are placed at the Board Meetings for taking the same on record.



❖ Means of Communication

- 1) The Company's corporate website, <http://emkay-tapsandtools.com> provides comprehensive information to the Shareholders.
- 2) The Half yearly and Annual Financial results submitted to the Stock Exchange in accordance with the SEBI (LODR) Regulation, 2015 are available on the Company's website, <http://emkaytapsandtools.com>

- 3) The requirements of publication of Advertisement in Newspaper under Regulation 47 of SEBI (LODR) Regulation, 2015 shall not be applicable in case of listed entities which have listed their specified securities on SME Exchange as per proviso to sub-regulation 4 of Reg. 47 of SEBI (LODR) Regulation, 2015.

❖ General Information to Shareholders

Sr. No.	Salient Items of Interest	Particulars
1.	AGM Date and Day Time Venue	On August 12, 2017 12.30 PM Plot No B -27 And B -27/1, MIDC Hingna, Industrial Estate Nagpur - 440016
2.	Financial Year	April 1 st 2016 to March 31 st , 2017
3.	Record Date for Dividend Declaration	August 4, 2017
4.	Date of Book Closure	August 3, 2017 to August 12, 2017
5.	Dividend Payment Date	August 22, 2017*
6.	Listing on Stock Exchanges	The Company's equity shares are listed on SME Platform of NSE on 13 th August, 2015. The listing fee for the F.Y.2016-17 has been paid.
7.	Custodian Fees to Depositories	The Company has paid fees for the F.Y. 2016-17 to National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) on time.
8.	Symbol	EMKAYTOOLS
9.	Registrar and Transfer Agents	Bigshare Services Private Limited Registered office Address: E-2/3, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (E), Mumbai -400 072. Tel: 91-22-28470652 40430200 28470653 Fax: 91-22-2847 5207 Website: www.bigshareonline.com email: info@bigshareonline.com
10.	Share Transfer System	As all the shares are held in demat mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.
11.	Dematerialization of shares and liquidity	All the Equity shares i.e. 100 % of the total issued, subscribed and paid-up equity share capital of the Company are held in dematerialized form.

Note: *Subject to approval of shareholders at the 22nd AGM if Final Dividend is declared shall be paid on August 22, 2017.

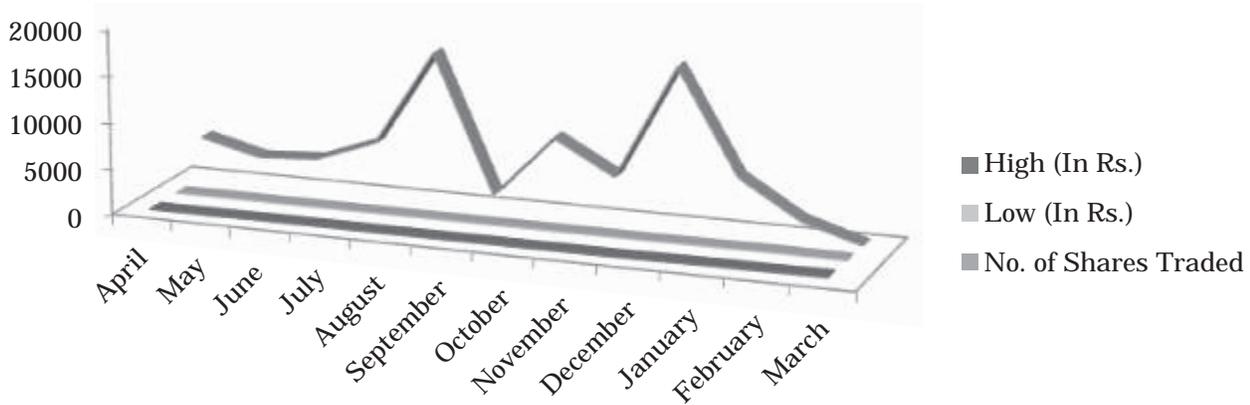


12.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	Not Applicable
13.	Plant Locations	Plot No. B -27 And B -27/1, MIDC Hingna, Industrial Estate Nagpur - 440016
14.	Address for correspondence	Compliance Officer: Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016 Ph. No. 91-7104-237584/237363, Fax No. 91-7104-232862 Email: ID:investor@emkaytapsandtools.com

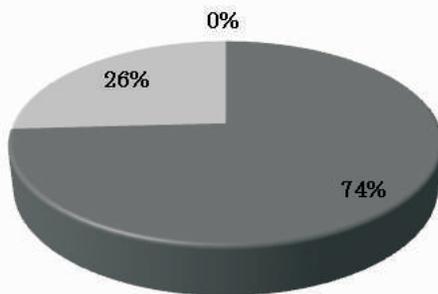
❖ Market Price Data

Market data as available on NSE (India) Limited website <https://www.nseindia.com/emerge> during each month of the financial year 2016-17 is given below:

MONTH	HIGH (IN `)	LOW (IN `)	NO. OF SHARES TRADED
April 2016	340.00	320.50	4,800
May 2016	335.00	329.90	3,200
June 2016	365.00	320.00	3,600
July 2016	355.00	330.00	6,000
August 2016	350.00	330.00	16,400
September 2016	355.00	335.00	1,600
October 2016	365.00	345.00	8,400
November 2016	370.00	350.00	4,800
December 2016	390.00	350.00	17,200
January 2017	470.00	390.00	6,000
February 2017	480.00	425.00	2,000
March 2017	525.00	380.00	18,00

Market Price Data

❖ Shareholding Pattern as on 31st March 2017

CATEGORIES	NO. OF SHARES HELD	PERCENTAGE OF TOTAL (%)
A. Promoter and Promoter Group	1318200	74.12
Person related to Director	283990	15.97
B. Public	460350	25.88
Non-Institutional (Individual)	275150	15.47
Corporate Bodies	183600	10.32
Clearing members	1600	0.09
C. Non-resident Indians	0	0.00
TOTAL (A+B+C)	1778550	100

Shareholding Pattern


- A. Promoter and Promoter Group
- B. Public
- C. Non-resident Indians



❖ Distribution of Shareholding

Shareholding Of Nominal		Number Of Shareholders	Percentage Of Total	Share Amount	Percentage Of Total
(`)	(`)		%	(`)	%
1	5000	54	56.1224	216500	1.2173
5001	10000	1	1.0204	8000	0.0450
10001	20000	8	8.1633	120000	0.6747
20001	30000	9	9.1837	232000	1.3044
40001	50000	2	2.0408	88000	0.4948
50001	100000	10	10.2041	768000	4.3181
100001	999999999	13	13.2653	16353000	91.9457
Total		97		17785500	100.0000

❖ Top 10 Shareholders as on March 31, 2017

Sr. No.	Name of shareholder	Category of shareholder	No. Of shares held	% of holding
1.	Ajayprakash Kanoria (HUF)	Promoter	768760	43.2240
2.	Nagpur Tools Private Limited	Corporate Promoter Group	265200	14.9110
3.	Alka Ajayprakash Kanoria	Promoter	187365	10.5347
4.	Sudarshan Trading and Manufacturing Pvt. Ltd.	Corporate Bodies	116400	6.5447
5.	Ajayprakash Kanoria	Promoter	96375	5.4187
6.	Brajkishore Agrawal	Public	51200	2.8787
7.	Vibrant Global Capital Ltd	Corporate Bodies	45600	2.5639
8.	Naginadevi Agrawal	Public	41200	2.3165
9.	Nikhil S. Agrawal	Public	22400	1.2595
10.	Agrawal Shahi Bhushan Omprakash	Public	15600	0.8771



❖ Shares held in dematerialized form as on March 31, 2017

Particulars	Number of Shares	% of Total Issued Capital
Issued Capital / Listed Capital (as per Company records)	1778550	100.00
Held in Dematerialised form in NSDL	1508550	84.82
Held in Dematerialised form in CDSL	270000	15.18
Physical	00	0.00
Total No. of shares	1778550	100.00

Date: July 18, 2017
Place: Nagpur

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

 Shruti Sohane
Company Secretary & Compliance Officer



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Emkay Taps and Cutting Tools Limited
Nagpur

We have reviewed the compliance of the conditions of Corporate Governance by M/s. Emkay Taps and Cutting Tools Limited as on the date of Director's Report, as stipulated in the regulation 34(3) of SEBI (LODR) regulation, 2015 ("Listing Regulation") of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulation.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: July 18, 2017

Place: Nagpur

For H. Roshan & Associates
Company Secretaries

 Roshan Harde
Partner

Membership No: A34630
COP No: 13138



CERTIFICATION FROM THE MANAGING DIRECTOR AND THE CFO

In terms of regulation 34(3) of SEBI (LODR) regulation, 2015, we hereby certify as under:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Code of Conduct of the Company.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We do Further certify that there has been:
 - i. No Significant changes in internal control over financial reporting during the year;
 - ii. No Significant changes in accounting policies during the year;
 - iii. No Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Nagpur

Date: May 27, 2017

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

 Ajayprakash Kanoria
Chairman & Managing Director

 Vishnu Sontakke
Chief Financial Officer

AFFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

I declare that the Company has received affirmation of compliance with the "Code of Conduct for Board Members and Senior Management Personnel" laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, for the period the Director's Report has been prepared.

Place: Nagpur

Date: May 27, 2017

For And On Behalf Of The Board Of Directors
EMKAY TAPS AND CUTTING TOOLS LIMITED

 Ajayprakash Kanoria
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2016 - 17

✦ Developments

The country is set to become a key player in the global machine tools industry and is likely to see substantial high-end machine tool manufacturing. The industry is moving towards increasingly sophisticated CNC machines, driven by demand from key user segments, such as, automobiles and consumer durables, Aerospace etc.

During the year 2016-17, overall cutting tool industry growth was satisfactory. Moving along with the industry growth our company was able to achieve top line growth of 13.08 % in the gross domestic sales as compared to last year. However, export sales were not satisfactory because of adverse conditions in Europe, etc.

In the coming period some additional capacities are being created and with these enhanced capacities we will be fully encashing many opportunities which may be coming up because of increased demand from the auto sector.

Going forward, we expect that in the year 2017-18, growth will pick up as the Indian economy picks up and auto sector picks up further. Outlook for auto sector on which our cutting tool industry is depending on, is given separately. Sales growth in the cutting tool industry largely depends on the sales growth of auto sector. Apart from the auto sector, the auto ancillary sector is also growing at a very rapid pace because of good export orders.

✦ Outlook

i) Outlook for Industry

India stands 13th in production and 10th in the consumption of machine tools in the world as per the 2016 Gardner Business Media survey. The country is set to become a key player in the global machine tools industry and is likely to see substantial high-end machine tool manufacturing. With emphasis on Make in India and manufacturing growth, for which the machine tools sector, serves as the mother industry.

The Machine tool industry prospect mainly depends on the growth of the manufacturing sector. Demand for machine tools accrues from manufacturers of primary and intermediate goods. The primary user industries include the automotive, capital goods and consumer durables sectors prominent users of machine tools, in the intermediate goods sector are auto components. Most of these segments recorded robust growth in recent years.

There exist a strong relationship between Machine Tool industry and Auto Component industry. Performance of Auto Component Industry will affect the performance of

Machine Tool Industry. In the recent year the export of Auto Component from India is picking up and because of Make in India initiative we are foreseeing that the Auto Component Industry in the coming years will have double digit growth. This growth in turn will result in proportionate growth for our Company.

Indian automobile market is full of tremendous opportunities and with the increased demand for new variants in passenger cars and auto industry projected to grow at healthy pace, demand for machine tools is expected to increase to with the increased demand from auto industry our Company should get benefitted directly from this.

ii) Outlook for the Company

In your Company's future strategic growth plans, the core areas include further expansion of the capacities of machines and addition of new products in the same line of business. Its strategic plans are also directed towards meaningful utilization & redeployment of resources depending on the situations and full capacity utilization of existing operations with proactive financial management and with qualitative focus on human resource development.

✦ Opportunities for Machine Tool Industry

The rapidly globalizing world is opening up newer avenues for the transportation industry and over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development.

The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalization of the sector as exports potential could be increased by up to four times to US\$ 40 billion by 2020.

✦ Segment wise or product wise performance

The company has only three reportable segments viz. Engineering Tools, Power and others on Consolidation basis. Detailed reporting along with figures relating to each reportable segment is disclosed as a part of the notes to the accounts in Note no. 38.

✦ Threats, Risks and concerns

Risk management is an integral part of the Company's activity. The Company has a structured Risk Management Policy. The top and senior management of the Company continuously monitor and review the business risks in the Operations, Sales & Marketing, Procurement, Regulatory Affairs, Finance, Information Technology and Human Resources and take timely measures to minimise the impact.



In the recent past, there has been lot of competition from taps coming from China and other countries. We feel that because of our quality, we are able to maintain continuous business with our existing customers. However this threat exists and we shall have to watch the situation and act accordingly.

Further, carbide tools are also rapidly replacing High Speed Steel tools. Fortunately, we have added infrastructure and machines for making carbide taps. We expect that in the coming times, we will be fully prepared to meet any demand for carbide tools falling under our product range.

A systematic risk identification and mitigation framework is in place and suitable action plan is drawn up to mitigate the same, the Company has virtually no control over external risks such as a general down turn in the economy, new regulations, government policies and interest rates.

✦ Internal control systems and their accuracy:

Considering the size and nature of the business, presently adequate internal control systems are in place. However, as and when company achieves further growth and higher level of operations, company will review the internal control system to match with changed requirement.

The company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against unauthorized use or disposition and that transaction are authorized and recorded correctly.

The company has constituted Audit Committee consisting of non-executive and independent Directors to look into various aspects of Accounts. The company has a clearly defined organization structure in place.

✦ Discussion on financial performance with respect to operational performance.

The Profit, before Finance Costs and Taxes, from operations for the year under report was ` 17.99 crores compared to operating profit for the previous year 2015-16 amounting to ` 19.22 crores. The Net Profit of the Company after Finance Costs, Depreciation and Taxes items was ` 11.85crores for

the year 2016-17. The Reserves and Surplus of the Company as on 31st March 2017 stood at ` 82.68crores. While the Company has seen significant improvement in the bottom line during the year under review, due to changes in product mix and market penetration, the growth in the top line has been subdued.

The financial statement is in confirmation with the provisions of the Companies Act, 2013 and applicable accounting standard recommended by the Institute of Chartered Accountants of India. The financial statement reflects the genuine desire for the transparency and best judgment for the estimates made on prudent and reasonable bases to correctly reflect the true and fair affairs of the company.

✦ Material developments in Human Resources /Industrial Relations front, including number of people employed.

The company believes that human resources will play a key role in its future growth. Planned efforts are made to develop and retain talent. Learning and development initiatives focus on developing the professional capabilities. The company continues to provide growth opportunities to internal talent by assigning them higher responsibilities with suitable exposure and training. The company continues to maintain positive work environment and constructive relationship with its employees with a continuing focus on productivity and efficiency.

✦ Cautionary statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, amongst others, economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Source:

<https://www.imtma.in/index.php?page=3&subid=27>,
<https://www.ibef.org/industry/autocomponents-india.aspx> ,
<https://www.ibef.org/industry/india-automobiles.aspx> ,
<https://www.ibef.org/download/Automobiles-May-2017.pdf>

The information in this section is based on Industry sources and publications . Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.



INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
M/s Emkay Taps and Cutting Tools Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Emkay Taps And Cutting Tools Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 & presentation 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 thereunder.

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 but not for the purpose of expressing an opinion whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such control. 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, 2017, and its profit for the period ended on that date.



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2017 ("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, a statement on 'the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

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 and the Statement of Profit and Loss 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. On the basis of written representation received from the directors as on 31st March, 2017 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- 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 does not have any pending litigation which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 27/05/2017

Place: Nagpur

For and on Behalf of
VIJAY AGRAWAL & COMPANY
Chartered Accountants
FRN: 138350W

✍ Vijay Agrawal
Partner
Membership No. 031863

ANNEXURE – A - TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our independent auditor's report to the members of Emkay Taps And Cutting Tools Limited ("the Company"), on the Financial Statements for the period ended 31st March 2017, we report that:

- i. In respect on inventories
 - a) The inventories (excluding stocks with third parties) were physically verified during the year by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. There were no discrepancies noticed on verification between the physical stocks as compared to the book records.
- ii. The Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered under the registered maintained under section 189 of the Companies Act.
- iii. The Company has complied with all the provisions in respect of loans, investments and guarantees, whether provisions of Section 185 and 186 of the Companies Act, 2013.
- iv. The directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with by the Company.

- v. The company has not defaulted in repayment of any dues to a financial institution or bank or debenture holders.
- vi. We have broadly reviewed the books of accounts and records maintained by the Company relating to the products of the Company pursuant to the rules made by the Central Government for the maintenance of Cost records under sub section (1) of Section 148 of the Companies Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
 - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it.
 - b) There are no undisputed amounts payables in respect of the aforesaid dues as on 31st March 2017 for a period more than six months from the date of becoming payable.

The Company has certain disputed statutory dues pending to be deposited as on 31st March 2017 in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. The details of which are as follows:

Sr. No.	Particulars	Year	Amount (₹)	Forum
1	Sales Tax	2000-2001	Rs. 1,44,790/-	Appeals
		2009-2010	Rs. 1,61,009/-	Appeals
2	Excise Duty	2015-2016	Rs.44,270/-	As per Audit Para

- viii. Moneys raised by way of public issue/ follow-on offer (including debt instruments) and term loans were applied by the Company for the purposes for which those are raised during the period under reporting.
- ix. The Managerial Remuneration paid / provided by the Company is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act 2013.
- x. During the period under reporting, No fraud by the

- company or any fraud on the Company by its officers/ employees has been noticed or reported.
- xi. The Company is not a Nidhi Company and hence provisions of Nidhi Companies of maintaining Net Owned Fund in the ratio of 1: 20 to meet out the liability and to maintain 10% liquid assets to meet out the unencumbered liability are not applicable to the Company. Accordingly, Para (xii) of the Order is not applicable.



- xii. As per the information and explanations given to us the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.
- xiii. As per the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013
- xiv. The Company during the period under reporting has not entered into any non-cash transactions with directors or persons connected with him. Hence Para xv of the Order is not applicable.
- where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.

Date: May 27, 2017

Place: Nagpur

For and on Behalf of
VIJAY AGRAWAL & COMPANY
Chartered Accountants
FRN: 138350W

 Vijay Agrawal
Partner
Membership No. 031863

ANNEXURE B - TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Emkay Taps & Cutting Tools Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the "Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy

and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating



effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: May 27, 2017

Place: Nagpur

For and on Behalf of
VIJAY AGRAWAL & COMPANY
Chartered Accountants
FRN: 138350W

 Vijay Agrawal
Partner
Membership No. 031863

**BALANCE SHEET AS ON 31ST MARCH, 2017****(Amount in ₹)**

P A R T I C U L A R S	Note. No.	Figures as at the end of 31 st March 2017	Figures as at the end of 31 st March 2016
<u>I. EQUITY AND LIABILITIES</u>			
(1) Shareholder's Funds			
(a) Share Capital	4	17,785,500.00	17,785,500.00
(b) Reserves And Surplus	5	826,759,618.26	705,794,460.16
(2) Share Application Money Pending Allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	6	18,226,309.00	247,904.63
(b) Deferred Tax Liabilities (Net)	7	18,176,514.00	19,324,434.00
(4) Current Liabilities			
(a) Short-Term Borrowings	8	32,821,814.84	22,428,648.58
(b) Trade Payables	9	22,954,651.61	18,356,284.57
(c) Other Current Liabilities	10	25,247,344.79	21,415,101.83
(d) Short-Term Provisions	11	10,414,984.00	1,946,328.00
Total :		972,386,736.50	807,298,661.77
<u>II. ASSETS</u>			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	181,525,459.95	163,887,512.01
(ii) Intangible assets			
(iii) Capital work-in-progress		5,296,386.85	-
(iv) Intangible assets under development			-
(b) Non-Current Investments	13	485,527,936.26	363,514,694.10
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	14	2,720,858.00	2,774,473.00
(e) Other non-current assets	15	1,953,149.00	2,604,198.00
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	130,330,745.84	124,429,746.61
(c) Trade Receivables	17	133,249,361.36	110,305,042.82
(d) Cash And Cash Equivalents	18	9,610,162.93	16,524,525.21
(e) Short-Term Loans And Advances	19	11,002,213.23	12,380,908.06
(f) Other Current Assets	20	11,170,463.08	10,877,561.96
Total :		972,386,736.50	807,298,661.77

Cash Flow Statement
Significant Accounting Policies
Notes forming Part of Balance Sheet

Note 1
Note 2 & 3
Note 1 to 46

For **EMKAY TAPS AND CUTTING TOOLS LTD.**

✍ Ajayprakash Kanoria
Chairman & Managing
Director
DIN No. 00041279

✍ Mrs. Alka Kanoria
Whole time Director
DIN No. 00046

✍ Shruti Sohane
Company Secretary

✍ V.K Sontakke
Chief Finance Officer

Place : Nagpur
Dated : May 27, 2017

As Per My Report of Even Date Attached

For **M/s Vijay Agrawal & Company**
Chartered Accountant
FRN 138350W

✍ Vijay Agrawal
Partner
Membership No. 031863

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2017**

(Amount in ₹)

PARTICULARS	Note No.	For the year ended 31 st March 2017	For the year ended 31 st March 2016
I. Revenue From Operations	21	447,303,492.89	419,863,365.55
II. Other Income	22	21,265,012.25	46,696,625.55
III. Total Revenue		<u>468,568,505.14</u>	<u>466,559,991.10</u>
IV. Expenses			
(a) Changes in inventories of finished goods, work-in-progress and Stock-inTrade	23	(7,627,393.45)	3,487,483.08
(b) Cost of Raw Material Consumed	24	65,108,978.09	65,240,630.27
(c) Cost of Stores Consumed	25	17,637,228.87	14,340,398.86
(d) Cost of Packing Material Consumed	26	2,740,204.79	2,615,625.78
(e) Manufacturing Expenses	27	112,905,997.31	105,799,662.55
(f) Windmill Expenses	28	3,345,074.00	3,989,422.00
(g) Shares Expenses	29	267,144.14	376,660.83
(h) Employee Benefit Expenses	30	31,318,149.11	28,783,680.80
(i) Administration Expenses	31	24,982,758.90	19,526,001.40
(j) Selling & Distribution Expenses	32	9,553,809.15	7,942,424.87
(k) Finance Costs	33	3,351,722.55	1,193,934.74
(l) Depreciation And Amortization Expenses	34	28,387,012.58	22,240,947.52
Total Expenses :		<u>291,970,686.04</u>	<u>275,536,872.70</u>
V. Profit Before Exceptional And Extraordinary Items And Tax	[III-IV]	176,597,819.10	191,023,118.40
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items And Tax	[V - VI]	176,597,819.10	191,023,118.40
VIII. Extraordinary Items		-	-
IX. Profit Before Tax	[VII - VIII]	176,597,819.10	191,023,118.40
X. Tax Expenses :			
(a) Income Tax	35	59,254,581.00	53,295,220.00
(b) Deferred Tax		(1,147,920.00)	(2,736,068.00)
XI. Profit / (Loss) For The Period From Continuing Operations	[IX - X]	<u>118,491,158.10</u>	<u>140,463,966.40</u>
XII. Profit / (Loss) From Discontinuing Operations		-	-
XIII. Tax Expense of Discounting Operations		-	-
XIV. Profit / (Loss) From Discontinuing Operations After Tax	[XII - XIII]	-	-
XV. Profit / (Loss) For The Period	[XI + XIV]	<u>118,491,158.10</u>	<u>140,463,966.40</u>
XVI. Earning per equity share :	36		
(1) Basic		66.62	78.98
(2) Diluted		66.62	78.98

For **EMKAY TAPS AND CUTTING TOOLS LTD.**

✍ Ajayprakash Kanoria
Chairman & Managing
Director
DIN No. 00041279

✍ Shruti Sohane
Company Secretary

Place : Nagpur
Dated : May 27, 2017

✍ Mrs. Alka Kanoria
Whole time Director
DIN No. 00046

✍ V.K Sontakke
Chief Finance Officer

As Per My Report of Even Date Attached

For **M/s Vijay Agrawal & Company**
Chartered Accountant
FRN 138350W

✍ Vijay Agrawal
Partner
Membership No. 031863



Note 1

STATEMENT OF CASH FLOW

(Amount in `)

Particulars	For the year ended	
	31.03.2017	31.03.2016
Cash Flow From Operating Activities:		
Profit before tax	176,597,819.10	191,023,118.40
Adjustment for:		
Depreciation & Amortisation Expenses	28,387,012.58	22,240,947.52
Interest Paid	3,351,722.55	1,193,934.74
Interest Received / Other Non Operative Receipt (Dividend Received)	(21,265,012.25)	(46,696,625.55)
Operating Profit before Working Capital Changes	187,071,541.98	167,761,375.11
Movement in working capital		
Decrease / (Increase) in inventories	(5,900,999.23)	(28,369,231.30)
Decrease / (Increase) in trade receivable	(22,944,318.54)	(14,835,792.37)
Decrease / (Increase) in short term loans & advances	1,378,694.83	(7,105,712.59)
Decrease / (Increase) in other current assets	(292,901.12)	(4,123,800.16)
Increase / (Decrease) in trade payable	4,598,367.04	(5,223,525.58)
Increase / (Decrease) in other current liabilities	3,832,242.96	1,609,878.09
Increase / (Decrease) in short term provisions	265,460.00	127,826.00
Cash Generated from Operation	168,008,087.92	109,841,017.20
Taxes Paid (Net of Refunds)	(51,051,385.00)	(57,922,411.00)
Net Cash from Operating Activities	116,956,702.92	51,918,606.20
Cash Flow Used In Investing Activities:		
Fixed Asset Purchased (Net)	(50,670,298.37)	(46,050,665.98)
Interest Received / Other Non Operative Receipt (Including Subsidy Received)	23,739,012.25	49,568,625.55
Adjustment for:		
Long Term Loan & Advances	53,615.00	(1,642,069.00)
Non Current Investments	(122,013,242.16)	(57,436,018.22)
Other Non Current Assets	-	(3,255,247.00)
Acquisition / Subscription / Investment in Subsidiaries / Associates	-	-
Advances to parties	-	-
Net Cash flow used in Investing Activities	(148,890,913.28)	(58,815,374.65)
Cash Flow From Financing Activities:		
Payment on Buy Back of Share Capital	-	-
Proceeds from Short term borrowings	10,393,166.26	7,227,834.88
Proceeds from Long term borrowings	17,978,404.37	(1,239,671.45)
Payment of Dividend and tax on it	-	-
Interest paid	(3,351,722.55)	(1,193,934.74)
Net Cash flow from Financing Activities	25,019,848.08	4,794,228.69
Net Increase / (Decrease) in Cash & Cash Equivalents	(6,914,362.28)	(2,102,539.76)
Cash & Cash Equivalents at the beginning of the year	16,524,525.21	18,627,064.97
Cash & Cash Equivalents at the end of the year	9,610,162.93	16,524,525.21

Notes:-

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 On Cash Flow Statements as recommended by Companies Accounting Standard Rules, 2006
- Figures in Brackets represents outflow

For **EMKAY TAPS AND CUTTING TOOLS LTD.**

✍ Ajayprakash Kanoria
Chairman & Managing
Director
DIN No. 00041279

✍ Mrs. Alka Kanoria
Whole time Director
DIN No. 00046

✍ Shruti Sohane
Company Secretary

✍ V.K Sontakke
Chief Finance Officer

Place : Nagpur
Dated : May 27, 2017

As Per My Report of Even Date Attached

For **M/s Vijay Agrawal & Company**
Chartered Accountant
FRN 138350W

✍ Vijay Agrawal
Partner

Membership No. 031863

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note	Particulars
2	The Company is presently engaged in the business of Manufacture of Taps & Cutting Tools and Production of Power through Windmill. The registered office of the company is situated at Plot No. B-27 & B-27/1, MIDC Hingna Industrial Estate, Nagpur - 440016. The Company is Public Limited Company Limited by shares.
2.1	The Company is a Public Company and is listed on National Stock Exchange (India) Ltd. SME EMERGE Platform.
3	SIGNIFICANT ACCOUNTING POLICIES :
3.1	Basis of accounting and preparation of financial statements The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards as notified and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
3.2	Use of estimates The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
3.3	Depreciation and amortisation Depreciation has been provided on the value of Fixed Assets acquired as per the rates and manner as prescribed in Schedule II to the Companies Act, 2013. In respect of additions/extensions forming integral part of existing assets & adjustments to Fixed Assets on account of exchange difference, if any, depreciation has been provided over residual life of the respective fixed assets. Leasehold Land, if any, has been amortised over the period of lease.
3.4	Revenue recognition Income & expenses are recognised and accounted on accrual basis. 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.
3.5	Tangible fixed assets Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.
3.6	Earnings per share Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The company has not issued any dilutable Shares to any persons. The EPS has been calculated as per Accounting Standard 20 "Earning Per share" issued by The Institute of Chartered Accountants of India.
3.7	Taxes on income Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there



Note	Particulars
	will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.
3.8	<p>Investment</p> <p>Current Investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term investments are carried at cost. Provision for diminution in the value of Long Term Investments in made only if; such a decline is other than temporary.</p>
3.9	<p>Inventory</p> <p>The inventories, i.e. Raw Materials, Stores and spares, Finished Goods etc. have been value at lower of cost or net realisable value. Cost of Inventories comprises of all costs of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. The cost of raw Material and Stores & Spares is determined at Weighted Average Cost basis. By-products are valued at Net Realisable value. The cost of work in progress and finished stock is determined on the absorption costing method. The value of Finished Goods includes Excise Duty wherever applicable.</p>
3.10	<p>Employee Benefits</p> <p>The Company makes contribution towards Provident Fund and ESIC to a defined contribution retirement benefit plan for qualifying employees. The provident plan is operated partly by Regional Provident Fund Commissioners and partly by an independent Trust, ESIC by Government agencies. Under the said schemes the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit schemes to the fund benefits.</p> <p>Short Term Employee Benefits are recognized as an expense in the year in which the related service is rendered at the undiscounted amount in the statement of Profit and Loss.</p> <p>During the year, the company has recognised Rs. 10,95,153/- for Provident Fund contribution, Rs. 1,99,618/- for ESIC. The Contributions payable to these plans by the Company are at the rates specified in the rules of the Schemes.</p>
3.11	<p>Cash Flow Statements :</p> <p>The Cash Flow Statement of the Company has been prepared as per Accounting Standard - 3: "Statement of Cash Flow" as prescribed by the Institute of Chartered Accountants of India using the Indirect Method.</p>
3.12	<p>Impairment of assets</p> <p>An impairment loss is recognized wherever the carrying amount of fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.</p>
3.13	<p>Segment Reporting</p> <p>The segment reporting of the Company as prepared in the Notes to Accounts of the Company has been prepared in accordance with the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. For the purpose of Reporting the Company has Two (2) segments as mentioned below which are considered as primary segments based on Business undertaken by the Company.</p> <p>Segment A : Manufacturing of Taps & Cutting Tools</p> <p>Segment B : Production of Power through Windmill</p>
3.14	<p>Provisions and contingencies</p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. The Accounting Standard - 29 issued has been duly followed while preparing the Balance Sheet for the year ended on 31st March 2017.</p>

**Note Forming Part of Balance Sheet As on 31st March 2017**

PARTICULARS	Figures as at the end of 31 st March 2017	Figures as at the end of 31 st March 2016
Note 4		
SHARE CAPITAL		
Authorised 20,00,000 Share of Rs. 10/- Each	20,000,000.00	20,000,000.00
Issued and Subscribed 17,78,550 Shares of Rs. 10/- Each Fully Paid Up	17,785,500.00	17,785,500.00
Paid Up 17,78,550 Shares of Rs. 10/- Each Fully Paid Up	17,785,500.00	17,785,500.00
TOTAL :	17,785,500.00	17,785,500.00

4.1 Reconciliation of number of shares outstanding at the beginning and at the year of the year

	Year Ended 31 st March 2017		Year Ended 31 st March 2016	
	No. of Share	In Rs.	No. of Share	In Rs.
Number of shares at the beginning of the year	1,778,550.00	17,785,500.00	1,778,550.00	17,785,500.00
Add : Allotted during the year				
On Preferential Basis	-	-	-	-
On Rights Issue	-	-	-	-
On Bonus Issue	-	-	-	-
Less : Buy Back during the year	-	-	-	-
Number of shares at the end of the year	1,778,550.00	17,785,500.00	1,778,550.00	17,785,500.00

4.2 Terms/Rights attached to equity Shares

The company has only one class of equity shares having a par value of Rs. 10/-per share. Each Shareholder is eligible for one vote per share held. In an event of liquidation of the company, the equity shareholders will be entitle to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholder.

4.3 The Company does not have any Holding/Ultimate Holding Company.

4.4 No convertible securities have been issued by the Company during the period under reporting.

4.5 No shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestments.

4.6 No calls are unpaid by any Director(s) of the Company during the year under reporting.

4.7 Details of Share holding more than 5% shares in the company.

	Year Ended 31 st March 2017		Year Ended 31 st March 2016	
	No. of Share	% Holding	No. of Share	% Holding
1. Ajayprakash Kanoria (HUF)	768760	43.22%	765960	43.07%
2. Alka Ajayprakash Kanoria	187365	10.53%	187365	10.53%
3. Nagpur Tools Pvt. Ltd.	265200	14.91%	256400	14.42%
4. Ajayprakash Kanoria	96375	5.42%	96375	5.42%
5. Sudarshan Trading & Manufacturing Pvt. Ltd.	116400	6.54%	80,400	4.52%



Particulars		Figures as on the end of 31st March 2017		Figures as on the end of 31st March 2016
Note 5 RESERVE AND SURPLUS :				
Share Premium Account				
Balance as per last Balance Sheet	42,040,780.00		42,040,780.00	
Less: Withdrawal During the Year	-	42,040,780.00	-	42,040,780.00
Sicom Capital Incentive Reserve				
Balance as per last Balance Sheet	2,975,000.00		2,975,000.00	
Add : Addition during the year	-	2,975,000.00	-	2,975,000.00
D.C.V.L. Subsidy				
Balance as per last Balance Sheet	970,900.00		970,900.00	
Add : Addition during the year	-	970,900.00	-	970,900.00
Industrial Promotion Subsidy (From Govt. of Maharashtra under Package Scheme)				
Balance as per last Balance Sheet	9,247,030.00		6,375,030.00	
Add : Addition during the year	2,474,000.00	11,721,030.00	2,872,000.00	9,247,030.00
Profit & Loss Account				
Balance as per last Balance Sheet	650,560,750.16		510,096,783.76	
Add : Profit During the year	118,491,158.10	769,051,908.26	140,463,966.40	650,560,750.16
Total :		826,759,618.26		705,794,460.16

Note 6

LONG TERM BORROWINGS :

Secured Loans				
a) Daimler Financial Services (I) Pvt Ltd (Secured against Hypothecation of Car and Personal Guarantee of the Directors)	-		107,139.63	
b) ICICI Bank Term Loan (Secured against Equitable mortgage of Building and Plant & Machinery)	18,085,544.00	18,085,544.00	-	107,139.63
Unsecured Loans				
From Banks	-		-	
From Others	140,765.00	140,765.00	140,765.00	140,765.00
Total :		18,226,309.00		247,904.63

Note 7

DEFERRED TAX LIABILITIES

Liabilities arising out of Fixed Assets				
Balance as per Last Balance Sheet	19,324,434.00		22,060,502.00	
Asset Created During the Year	1,147,920.00	18,176,514.00	2,736,068.00	19,324,434.00
Total :		18,176,514.00		19,324,434.00



Note 8

SHORT TERM BORROWINGS :

Bank of Maharashtra Cash Credit Account No. : 20108197609 (Secured Against Hypothecation of Stock)	-		21,165,267.13	
ICICI Bank Ltd : Cash Credit Account No. : 624251000017 (Secured Against Hypothecation of Entire Current Assets including Inventory, book debts & Receivable)	18,351,169.21		-	
ICICI Bank Ltd : (Secured against Equitable mortgage of Building and Plant & Machinery)	14,362,032.00		-	
Daimler Financial Services (I) Pvt. Ltd. (Current Maturity of Long Term Loan due within 12 months)	108,613.63	32,821,814.84	1,263,381.45	22,428,648.58
Total :		32,821,814.84		22,428,648.58

Note 9

TRADE PAYABLES :

Due to : Micro and Small Enterprises	-		-	
Other Payables	12,365,513.61		15,186,743.57	
Related Party	10,589,138.00	22,954,651.61	3,169,541.00	18,356,284.57
Total :		22,954,651.61		18,356,284.57

Note: There are no Micro, Small & Medium Enterprises to whom company owes due during the period under reporting, which are due for more than 45 days as on 31st march 2017. The information required to be disclosed under the Micro, Small & Medium Enterprises Development 2006, have been determined to the extent such parties have been identified and information available with the management.

Note 10

OTHER CURRENT LIABILITIES :

Deposits & Advances Received	596,552.05		266,850.72	
Liability For Expenses	15,897,649.74		13,431,446.09	
Statutory Liabilities	6,076,160.00		5,249,702.27	
Other Credit Balances	2,676,983.00	25,247,344.79	2,467,102.75	21,415,101.83
Total :		25,247,344.79		21,415,101.83

Note 11

SHORT TERM PROVISIONS :

For Employee Benefits	1,436,454.00		1,131,179.00	
For Others	8,978,530.00	10,414,984.00	815,149.00	1,946,328.00
Total :		10,414,984.00		1,946,328.00



NOTE No. : 12 FIXED ASSETS (TANGIBLE) :

Particulars	Rate . Of Dep	Gross Block				Depreciation				Net Block	
		Balance As On 01-04-2016	Addition During The Year	Sale/transfer During The Year	Balance As On 31-03-2017	Balance As On 01-04-2016	Depreciation During The Year	Depreciation Reversed	Balance As On 31-03-2017	Balance As On 31-03-2016	
Land No. 1	0.00%	1,350,000.00			1,350,000.00	-			-	1,350,000.00	1,350,000.00
Land No. 2	0.00%	766,710.00			766,710.00	-			-	766,710.00	766,710.00
Building No. 1	9.50%	9,954,445.09			9,954,445.09	7,263,951.00			7,519,547.94	2,434,897.15	2,690,494.09
Building No. 2	9.50%	3,833,547.56			3,833,547.56	2,174,557.20			2,332,161.28	1,501,386.28	1,658,990.36
Furniture & Fixture	25.89%	1,667,022.50			1,667,022.50	1,535,010.85			1,550,428.15	116,594.35	132,011.65
Mobile Phone	63.16%	435,654.43	100,246.65		535,901.08	398,758.61			416,632.05	119,269.03	46,895.82
Office Equipments	45.07%	1,834,641.47	27,200.00		1,861,841.47	1,518,890.52			1,637,526.06	224,315.41	315,750.95
Plant & Machinery	18.10%	179,260,487.57	45,541,152.40	2,513,721.65	222,287,918.32	91,167,366.63			107,351,757.70	114,836,160.62	88,093,120.94
Generator	18.10%	897,150.00	170,290.00		897,150.00	848,299.31			851,465.58	45,684.42	48,850.69
Compressors	18.10%	1,270,584.41			1,440,864.41	881,367.70			967,086.41	473,778.00	369,216.71
Transformers	18.10%	51,000.00			51,000.00	48,450.00			48,450.00	2,550.00	2,550.00
Transport Trolleys	18.10%	61,830.00			61,830.00	1,284.24			12,243.02	49,586.98	60,545.76
Air Conditioners	18.10%	1,573,425.08	61,944.39		1,635,369.47	1,159,415.77			1,236,344.39	399,025.08	414,009.31
Computers	63.16%	4,270,057.91	28,939.68		4,298,997.59	3,753,303.41			3,981,294.92	317,702.67	516,754.50
Computer Software	63.16%	590,000.00	10,236.96		600,236.96	560,500.00			565,477.68	34,759.28	29,500.00
Inspection Equipments	18.10%	3,283,065.24	17,136.00		3,300,201.24	1,487,816.82			1,813,728.69	1,486,472.55	1,795,248.42
Electricals Installations	25.89%	1,540,286.97			1,540,286.97	1,424,974.80			1,438,516.36	101,770.61	115,312.17
Rex Machine	18.10%	108,046.00			108,046.00	101,661.95			102,164.28	5,881.72	6,384.05
Pollution Control											
Equipment	18.10%	853,106.34			853,106.34	720,015.12			744,104.63	109,001.71	133,091.22
Motor Car	31.23%	9,167,982.00			9,167,982.00	5,760,121.70			6,799,400.00	2,368,582.00	3,407,860.30
Motor Cycle	25.89%	139,405.00	58,340.00		197,745.00	90,105.45			104,234.69	93,510.31	49,299.55
Total (a) :		222,908,447.57	46,015,476.08	2,513,721.65	268,410,202.00	120,885,851.08			139,472,563.83	126,937,638.17	102,022,596.49
WIND MILL DIVISION :											
Wind Mill [Mysore]	12.73%	61,290,546.00	-	-	61,290,546.00	40,690,893.23			43,313,229.02	17,977,316.98	20,599,652.77
Wind Mill 2 [Rajasthan]	12.73%	82,800,000.00	-	-	82,800,000.00	46,234,737.25			50,889,495.20	31,910,504.80	36,565,262.75
Lease Hold Land [Rajasthan]	0.00%	1,500,000.00	-	-	1,500,000.00	-			-	1,500,000.00	1,500,000.00
Lease Hold Land 2 [Rajasthan]	0.00%	3,200,000.00	-	-	3,200,000.00	-			-	3,200,000.00	3,200,000.00
TOTAL (B) :		148,790,546.00	-	-	148,790,546.00	86,925,630.48			94,202,724.22	54,887,821.78	61,864,915.52
TOTAL (A+B) :		371,698,993.57	46,015,476.08	2,513,721.65	415,200,748.00	207,811,481.56			233,675,288.05	181,523,459.95	163,887,512.01
PREVIOUS YEAR :		323,648,327.59	46,817,375.98	766,710.00	371,698,993.57	186,221,583.04			207,811,481.56	163,887,512.01	139,426,744.55



Note 13

NON-CURRENT INVESTMENTS :

a) In Mutual Funds	182,239,819.53		98,218,691.35	
b) In Quoted Equity Shares	297,492,333.73		261,530,046.75	
c) In Unquoted Equity Shares	979,205.00		979,205.00	
d) In Fixed Deposit Receipts	4,816,578.00	485,527,936.26	2,786,751.00	363,514,694.10
Total :		485,527,936.26		363,514,694.10

Note: No diminution in value, if any, has been ascertained in case of Mutual Funds/Quoted Equity Shares/Unquoted Equity Shares held by the Company and have been recorded in the books at the Cost of Purchase by the Management.

Note-14

LONG TERM LOANS AND ADVANCES :

(Advances recoverable in cash or in kind or for value to be received)				
a) Capital Advances (Unsecured and considered good)	12,000.00		13,900.00	
b) Security Deposits	2,708,858.00		2,760,573.00	
c) Other Loans & Advances	-	2,720,858.00	-	2,774,473.00
TOTAL :		2,720,858.00		2,774,473.00

Note-15

OTHER NON CURRENT ASSETS

<u>(Miscellaneous Expenses to the extent not written off)</u>				
a) Listing Expenses		1,953,149.00		2,604,198.00
TOTAL :		1,953,149.00		2,604,198.00

Note- 16

INVENTORIES :

(Valued at Lower of Cost or Realisable Value as Certified by the Management)				
Raw Material	52,163,067.82		54,270,744.75	
Consumable Stores	4,001,674.60		3,620,391.89	
Work In Progress	6,195,001.44		6,207,180.47	
Finished Goods	66,668,196.98		59,645,149.50	
Scrap Material (At Estimated Realisable Value)	1,302,805.00	130,330,745.84	686,280.00	124,429,746.61
TOTAL :		130,330,745.84		124,429,746.61



Note 17

TRADE RECEIVABLES :

Outstanding for more than 6 months				
a) Secured & Considered Good	-		-	
b) Unsecured & Considered Good	14,540,284.21		7,509,737.35	
c) Considered Doubtful	-	14,540,284.21	-	7,509,737.35
Others				
a) Secured & Considered Good	-		-	
b) Unsecured & Considered Good	118,709,077.15		102,795,305.47	
c) Considered Doubtful	-	118,709,077.15	-	102,795,305.47
TOTAL :		133,249,361.36		110,305,042.82

Note 18

CASH AND CASH EQUIVALENTS :

Cash in Hand (As certified by the Management)	222,804.92		97,274.92	
Balances with Bank	9,387,358.01	9,610,162.93	16,427,250.29	16,524,525.21
TOTAL :		9,610,162.93		16,524,525.21

Note 19

SHORT TERM LOANS AND ADVANCES :

Advances with the Suppliers	9,043,862.11		10,887,371.53	
Loans & Advances to Staff	753,190.00		472,189.00	
Other Advances	1,205,161.12	11,002,213.23	1,021,347.53	12,380,908.06
TOTAL :		11,002,213.23		12,380,908.06

Note 20

OTHER CURRENT ASSETS :

Advances with Revenue Authorities	10,910,740.16		10,507,176.96	
Other Debit Balances	259,722.92	11,170,463.08	370,385.00	10,877,561.96
TOTAL :		11,170,463.08		10,877,561.96



Note 21

REVENUE FROM OPERATIONS :

1. Domestic Sale				
Sale of Taps & Tools	512,680,990.10		456,070,940.11	
Less : Excise & Education Cess	51,196,576.00		45,807,663.00	
: VAT Receipts	22,532,374.00		20,101,285.00	
: CST Receipts	6,098,676.00		5,318,753.00	
: Discount & Rate Difference	4,003,917.01		6,299,724.63	
: Sales Return	2,602,132.01	426,247,315.08	1,593,033.93	376,950,480.55
2. Export Sale				
Sale of Taps & Tools	7,408,253.81		27,912,900.00	
3. D.E.P.B License Sale				
Licence Sales	-		568,968.00	
Less : VAT Receipts	-	-	27,094.00	541,874.00
4. Scrap Sale				
Scrap Sale	20,628.24		1,088,896.31	
Less: Excise, Education Cess, VAT, CST & TCS	3,338.24	17,290.00	152,073.31	936,823.00
5. Scrap Sale (Miscellaneous)				
Less : VAT & TCS	681,591.00	635,795.00	74,025.00	
	45,796.00		8,825.00	65,200.00
6. Power Generation Unit Sale				
Power Generation Unit Sale	13,110,853.00		13,558,420.00	
Less : Discount	116,014.00	12,994,839.00	102,332.00	13,456,088.00
TOTAL :		447,303,492.89		419,863,365.55

Note 22

OTHER INCOME :

Dividend Received		3,952,638.05		5,335,222.16
Duty Draw Back Receipts		227.00		19,834.00
Exchange Rate Fluctuation		1,219,086.68		1,248,187.79
F.D.R. Interest Received		165,764.00		769,040.01
Interest Received		936,154.34		75,912.00
Profit on Sale of Machinery		764,435.44		-
Short Term Capital Gain	1,039,121.45		3,383,783.73	
Less : Short Term Capital Loss	-	1,039,121.45	114,357.66	3,269,426.07
Long Term Capital Gain	23,080,906.12		32,346,183.73	
Less : Long Term Capital Loss	12,943,237.36	10,137,668.76	34,712,747.14	(2,366,563.41)
Short Term Gain on Mutual Fund	282,278.34		30,296.57	
Less : Short Term Loss on Mutual Fund	-	282,278.34	11,473.37	18,823.20
Long Term Gain on Mutual Fund	2,767,638.19		38326743.73	
Less : Long Term Loss on Mutual Fund	-	2,767,638.19	-	38,326,743.73
TOTAL :		21,265,012.25		46,696,625.55



Note 23

CHANGES IN INVENTORY :

1. Finished Goods :				
Opening stock	59,645,149.50		63,759,101.17	
Less : Closing stock	66,668,196.98	(7,023,047.48)	59,645,149.50	4,113,951.67
2. Work-In-Progress :				
Opening stock	6,207,180.47		5,919,581.88	
Less : Closing stock	6,195,001.44	12,179.03	6,207,180.47	(287,598.59)
3. Scrap Material :				
Opening stock	686,280.00		347,410.00	
Less : Closing stock	1,302,805.00	(616,525.00)	686,280.00	(338,870.00)
TOTAL :		(7,627,393.45)		3,487,483.08

Note 24

COST OF RAW MATERIAL CONSUMED :

Opening Stock	54,270,744.75		21,858,618.69	
Add : Purchase of Raw Material	63,001,301.16		97,652,756.33	
Less : Closing Stock of Raw Material	52,163,067.82	65,108,978.09	54,270,744.75	65,240,630.27
TOTAL :		65,108,978.09		65,240,630.27

Note 25

COST OF STORES CONSUMED :

Opening Stock	3,620,391.89		4,175,803.57	
Add : Purchase of Consumable Stores	18,018,511.58		13,784,987.18	
Less : Closing stock of Consumable Stores	4,001,674.60	17,637,228.87	3,620,391.89	14,340,398.86
TOTAL :		17,637,228.87		14,340,398.86



Note 26

COST OF PACKING MATERIAL CONSUMED :

Purchases	2,740,204.79		2,615,625.78
TOTAL :	2,740,204.79		2,615,625.78

Note 27

MANUFACTURING EXPENSES :

Building Repairs	360,048.35		2,205,008.34
Electricity Charges	9,074,983.11		9,135,958.00
Freight & Octori	681,755.07		598,470.00
Job Work Expenses	89,590,544.03		83,411,633.05
Repairs and Maintenance	12,964,215.02		10,198,406.16
Testing Expenses	19,625.73		48,375.00
Water Charges	214,826.00		201,812.00
TOTAL :	112,905,997.31		105,799,662.55

Note 28

WINDMILL EXPENSES :

Electrical Inspection Charges	14,660.00		14,661.00
Insurance (Wind Mill)	133,955.00		131,904.00
Repairs & Maintenance	3,196,459.00		3,842,857.00
TOTAL :	3,345,074.00		3,989,422.00

Note 29

SHARES EXPENSES :

Security Transaction Tax	164,864.00		215,765.50
Service Tax on Shares	37,255.28		76,417.67
Stamping Charges	16,176.16		21,421.69
Stock Holding Expenses	42,376.12		54,450.71
Transaction Charges	5,222.12		6,852.40
Share Expenses	952.80		1,381.91
SEBI Tax	297.66		370.95
TOTAL :	267,144.14		376,660.83



Note 30

EMPLOYEE BENEFIT EXPENSES :

Bonus		1,841,625.00		794,935.00
E. S. I. C.		209,620.00		199,618.00
Exgratia		453,584.00		1,352,700.00
Gratuity		1,023,781.00		486,237.00
Incentive A/c.		2,463,374.00		3,334,555.00
Labour Welfare		771,107.11		600,914.80
Leave with Wages		203,946.00		278,278.00
Medical Expenses		14,356.00		29,856.00
Provident Fund		1,090,472.00		1,095,153.00
Salary and Wages		18,446,284.00		15,811,434.00
Salary To Director		4,800,000.00		4,800,000.00
	TOTAL :		31,318,149.11	28,783,680.80

Note 31

ADMINISTRATION EXPENSES :

Profession Tax	5,000.00		5,000.00	
Bank Charges	514,911.83		920,098.50	
Books and Periodicals	8,840.00		15,290.00	
Car Expenses	367,629.88		312,150.77	
Computer Software Expenses	168,300.75		365,800.00	
Conveyance Expenses	1,114,990.00		1,051,018.00	
Consultancy Fees	289,500.00		160,150.00	
CSR Expenses	2,591,367.50		-	
Director Travelling Expenses	2,142,685.62		1,478,076.08	
Donation	4,600.00		5,351.00	
Insurance	576,823.00		535,754.00	
Interest on Service Tax, VAT & TDS	156,296.00		52,754.00	
Krishi Kalyan Cess	284,910.08		-	
Legal and Professional Expenses	1,916,271.50		572,770.90	
Licence Fees	43,073.00		74,000.00	
Membership Fees and Subscription	133,859.00		168,057.00	
Miscellaneous Expenses	23,960.00		-	
Office Expenses	333,146.34		376,500.37	
Postage & Telegram Expenses	79,925.00		107,840.00	
Printing and Stationery	879,002.25		432,403.02	
Rent, Rates and Taxes	322,477.00		258,160.00	
Security Service Charges	338,094.00		290,069.00	
Sundry Balances W/Off	113,558.69		252,321.27	
Swachh Bharat Cess	298,778.57		77,188.39	
Telephone Expenses	960,898.96		891,115.10	
Traveling Expenses	1,678,929.20		1,413,878.00	
Vat Audit Fees	44,000.00		40,000.00	
VAT/CST Expenses	666,940.73	16,058,768.90	-	9,855,745.40



Payment to Directors				
- For Remuneration	8,756,990.00		9,551,156.00	
- For Sitting Fees	72,000.00	8,828,990.00	45,000.00	9,596,156.00
Payment to Auditors				
- For Audit	80,000.00		74,100.00	
- For Taxation	-		-	
- For Consultancy & Others	15,000.00	95,000.00	-	74,100.00
TOTAL :		24,982,758.90		19,526,001.40

Note 32

SELLING AND DISTRIBUTION EXPENSES :

Advertisement	2,082,840.87		985,135.30
Carriage Outward	4,165,543.19		4,250,331.50
Commission on Sales	2,297,409.00		1,954,843.00
Entertainment Expenses	19,200.00		15,836.00
Hospitality Expenses	179,339.20		9,390.13
Sales Promotion	291,510.89		101,372.94
Sales Promotion & Consultancy Charges	517,966.00		625,516.00
TOTAL :	9,553,809.15		7,942,424.87

Note 33

FINANCE COST :

Bank Interest	570,500.00		978,712.00
Interest on Term Loan	2,685,688.00		-
Interest on Car Loan	80,534.55		200,222.74
Interest	15,000.00		15,000.00
TOTAL :	3,351,722.55		1,193,934.74

Note 34

DEPRECIATION & AMORTISATION EXPENSES :

Depreciation for the Year	27,735,963.58		22,007,826.14
Less: Depreciation reverse	-	27,735,963.58	417,927.62
1/5th Listing Expenses written off		651,049.00	651,049.00
TOTAL :		28,387,012.58	22,240,947.52



Note 35

INCOME TAX EXPENSES :

Current Year Income Tax Provision	59,600,000.00		53,070,000.00
Add : Tax for Distributed Profit			
: Short Provision of Income Tax of Earlier Year			225,220.00
Less : Excess provision of income Tax Earlier Year	345,419.00		-
TOTAL :	59,254,581.00		53,295,220.00

Note 36

EARNING PER SHARE

(A) Profit for the Year	118,491,158.10		140,463,966.40
(B) Weighted Average Number of Shares	1778550		1778550.00
Basic Earning Per Share	66.62		78.98
Diluted Earning per Share	66.62		78.98

For **EMKAY TAPS AND CUTTING TOOLS LTD.**

✍ Ajayprakash Kanoria
Chairman & Managing
Director
DIN No. 00041279

✍ Mrs. Alka Kanoria
Whole time Director
DIN No. 00046

✍ Shruti Sohane
Company Secretary

✍ V.K Sontakke
Chief Finance Officer

As Per My Report of Even Date Attached

For **M/s Vijay Agrawal & Company**
Chartered Accountant
FRN 138350W

✍ Vijay Agrawal
Partner
Membership No. 031863

Place : Nagpur
Dated : May 27, 2017



Note 37 : SEGMENT REPORTING

Particulars	31-Mar-17			31-Mar-16				
	Tools	Power	Others	Total	Tools	Power	Others	Total
Revenues								
Sales to External Customers	433,655,569.00	13,856,366.00	21,056,570.00	468,568,505.00	404,863,380.00	13,456,088.00	48,240,523.00	466,559,991.00
Total Segmental Revenues	433,655,569.00	13,856,366.00	21,056,570.00	468,568,505.00	404,863,380.00	13,456,088.00	48,240,523.00	466,559,991.00
Segmental Result								
Profit before Interest net of allocated (Corporate expenses)	162,200,234.00	3,234,198.00	14,515,110.00	179,949,542.00	146,359,614.00	1,128,069.00	44,729,370.00	192,217,053.00
Less : unallocated Corporate expenses (Net of Other Income)								
Operative Profit	162,200,234.00	3,234,198.00	14,515,110.00	179,949,542.00	146,359,614.00	1,128,069.00	44,729,370.00	192,217,053.00
Interest (Net of Income)	3,351,723.00	-	-	3,351,723.00	1,193,935.00	-	-	1,193,935.00
Profit before Tax	158,848,511.00	3,234,198.00	14,515,110.00	176,597,819.00	145,165,679.00	1,128,069.00	44,729,370.00	191,023,118.00
Provision for Tax								
Current Tax				59,254,581.00				53,295,220.00
Deferred Tax				(1,147,920.00)				(2,736,068.00)
Profit from Ordinary Activities	158,848,511.00	3,234,198.00	14,515,110.00	118,491,158.00	145,165,679.00	1,128,069.00	44,729,370.00	140,463,966.00
Extraordinary Items								-
Net Profit	158,848,511.00	3,234,198.00	14,515,110.00	118,491,158.00	145,165,679.00	1,128,069.00	44,729,370.00	140,463,966.00



Particulars	31-Mar-17				31-Mar-16			
	Tools	Power	Others	Total	Tools	Power	Others	Total
Other Information								
Segmental Assets	422,118,353.00	64,784,047.00	536,913,072.00	1,023,815,472.00	358,007,439.00	67,747,298.00	434,645,856.00	860,400,593.00
Unallocated Corporate Assets					-	-	-	-
Total Assets	422,118,353.00	64,784,047.00	536,913,072.00	1,023,815,472.00	358,007,439.00	67,747,298.00	434,645,856.00	860,400,593.00
Segmental Liabilities	100,912,425.00	138,016.00	443,398.00	101,493,839.00	63,365,798.00	1,001,003.00	59,397.00	64,426,198.00
Unallocated Corporate Liabilities					-	-	-	-
Total Liabilities	100,912,425.00	138,016.00	443,398.00	101,493,839.00	63,365,798.00	1,001,003.00	59,397.00	64,426,198.00
Capital Expenditure during the year Including Movement in CWIP	51,311,863.00	-	-	51,311,863.00	46,817,376.00	-	-	46,817,376.00
Depreciation & Amortisation Exps.	20,458,870.00	7,277,094.00	651,049.00	28,387,013.00	13,251,302.00	8,338,597.00	651,049.00	22,240,948.00

Notes :

- The above Financials results have been arrived at after going through the Balance Sheet and Profit & Loss Account for the Company for the Period ending on 31st March 2017
- This segment report of M/s Emkay Taps & Cutting Tools Ltd. is prepared in accordance to the Accounting Standard 17 - "Segment Reporting"
- For the purpose of this reporting, Business Segment are considered as primary segments. Since the Company is operating from single location. There are no Geographical segments for the company. However, based on Business Line, there are 2 segments, viz., Manufacturing of Tools and Generation of Power.
- The measurement principles for segment reporting are based on IND AS adopted in the consolidated financial statements. Segments' performance is evaluated based on segment revenue and profit or loss from operating activities, i.e., segment results.
- Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.
- Finance Income earned and finance expense incurred is not allocated to individual segment and the same has been reflected at the Group Level for segment reporting. Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period the change occurs. Segment information prior to the change in terms is not restated. These transactions have been eliminated on consolidation. The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial instruments, deferred tax assets and income tax recoverable.
- Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial instruments. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).



Note 38

EMPLOYEE COSTS

Particulars	As on March 31st, 2017	As on March 31st, 2016
Salary Allowances & Others	28,994,276	27,002,673
Defined contribution plan	1,300,092	1,294,771
Defined benefit plan/other long term benefits	1,023,781	486,237
Share based compensation	-	-
Total :	31,318,149	28,783,681

Note 39

INCOME TAXES

The major components of the Income Tax Expenses are Follows :

Particulars	As on March 31st, 2017	As on March 31st, 2016
Current Income Tax		
In India	59,600,000	53,070,000
Overseas	-	-
Deferred Tax		
Relating to origination and reversal of temporary differences	(1,147,920)	(2,736,068)
Relating to changes in tax rates	-	-
Tax expense attributable to current year's profit (A) :	58,452,080	50,333,932
Adjustments in respect of income tax of previous year :		
Current income tax		
In India	(345,419)	225,220
Overseas	-	-
Total (B) :	(345,419)	225,220
Total (A+B) :	58,106,661	50,559,152

The company during the Period has earned a profit of ₹ 17,65,97,819.10, A provision of Rs. 5,96,00,000.00 for Income Tax as required by Income Tax Act, 1961 has been made in the Books of Account.

Note 40

CURRENT ASSETS, LOANS AND ADVANCES

In the opinion of the management, Current Assets, Loans and Advances are of the values stated, if realised in the ordinary course of business.



Note 41

RELATED PARTY TRANSACTIONS

Related Party transactions represent transactions entered into by the Group with entities having significant influence over the Group ('significant influence entities'), associates, joint ventures and other related parties. The transactions and balances with the related parties for the year ended March 31st, 2017 and March 31st, 2016, respectively are described below :

RELATED PARTY DISCLOSURE**A. Key Management Persons :**

Mr. Ajayprakash Kanoria
Mrs. Alka Kanoria

B. Relatives of Key Management Persons :

Mrs. Snehalata Kanoria

C. Related Parties

Nagpur Tools Pvt. Ltd.
Adishree Engineering Pvt. Ltd.

Summary of Transactions with Above Parties :

Particulars	Year Ended March 31st, 2017	Year Ended March 31st, 2016
a. Transactions for the period		
Snehalata Kanoria:		
Interest	15,000.00	15,000.00
Nagpur Tools Pvt. Ltd.:		
Job Work Expenses	48,010,974.00	41,517,458.00
Adishree Engineering Pvt. Ltd.		
Job Work Expenses	5,842,718.00	5,468,297.00
Closing Balance	Year Ended March 31st, 2017	Year Ended March 31st, 2016
<u>Due from:</u>		
Adishree Engineering Pvt. Ltd.	447,774.00	503,636.00
<u>Due to:</u>		
Ajayprakash Kanoria	5,179,924.82	3,253,446.82
Alka Ajayprakash Kanoria	2,922,240.00	3,243,205.00
Snehalata Kanoria (Loan)	113,500.00	113,500.00
Nagpur Tools Pvt. Ltd.	10,589,138.00	3,169,541.00

Note : Outstanding balances at period end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is taken each year through examining the financial position of the related party and market in which the related party operates.



Remuneration to key management personnel were as follows :

Particulars	Year Ended March 31st, 2017	Year Ended March 31st, 2016
1) Ajayprakash Kanoria		
Salary	3,600,000.00	3,600,000.00
Remuneration	5,226,420.00	5,730,694.00
	-	-
2) Alka Kanoria		
Salary	1,200,000.00	1,200,000.00
Remuneration	3,530,570.00	3,820,462.00
Total	13,556,990.00	14,351,156.00

Note 42

CONTINGENCIES

Particulars	Year Ended March 31st, 2017	Year Ended March 31st, 2016
(i) Taxes, Duties and Other Demands (under adjudication/appeal/dispute)		
Sales Tax (2000-01)	144,790	144,790
Sales Tax (2009-10)	161,009	161,009
Sales Tax (2011-12)	-	272,914
Cenvat Credit on Input Service (15-16)	44,270	-
(ii) Claims under legal cases including arbitration matters	-	-
Total	350,069	578,713

The above mentioned contingent liabilities represent disputes with various government authorities in the respective jurisdiction where the operations are based and it is not possible for the Group to predict the timing of final outcome. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise for below cases and therefore, no provision has been recognised.

a) Sales and Service Tax :

The claims for Sales Tax as of March 31, 2017 comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislation which was primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts with statutory authorities for certain cases.

**Note 43****PROPOSED DIVIDEND**

The Company has proposed a dividend of ` 2.00 per share for the year ended on 31st March 2017. The total dividend declared aggregates to ` 35,57,100.00 for the paid up capital of ` 1,77,85,500.00 comprising of 17,78,550 number of Equity Shares as on 31st March 2017. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Note 44**EXPENDITURE IN RELATION TO CSR EXPENDITURE**

As per Sec 135 of the Companies Act, 2013, the Company is required to undertake expenditure in respect of Corporate Social Responsibility (CSR). Disclosure in respect of CSR is as follows:

- A) Gross amount required to be spent by the Company during the year : ` 26.45 Lacs
 B) Amount spent by the Company during the Year : ` 25.99 Lacs*

The company has complied with the provisions of CSR Rules & the Companies Act, 2013 in respect of CSR Activities.

* Note: There is unutilized amount of Rs. 8399/- as reported by the CSR project implementing agency and same shall be utilized in May 2017 for purchase of spares. Hence there is difference in Amount spent and actual accounting of CSR expenses in books.

Note 45

Disclosure in relation to details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

Particulars	SBN	Other Denomination Notes	Total
Closing cash in hand as on 08/11/2016	120,000	9,324	129,324
(+) Permitted Receipts		683,000	683,000
(-) Permitted Payments		450,574	450,574
(-) Amount deposited in Banks	120,000		120,000
Closing cash in hand as on 30/12/2016	-	241,750	241,750

Note 46**PREVIOUS YEAR FIGURES**

The previous year figures have been regrouped, recasted and reclassified wherever necessary to make them comparable with those of current year figures.

For **EMKAY TAPS AND CUTTING TOOLS LTD.**

✍ Ajayprakash Kanoria
Chairman & Managing
Director
DIN No. 00041279

✍ Mrs. Alka Kanoria
Whole time Director
DIN No. 00046

✍ Shruti Sohane
Company Secretary

✍ V.K Sontakke
Chief Finance Officer

As Per My Report of Even Date Attached

For **M/s Vijay Agrawal & Company**
Chartered Accountant
FRN 138350W

✍ Vijay Agrawal
Partner
Membership No. 031863

Place : Nagpur
Dated : May 27, 2017



ATTENDANCE SLIP

EMKAY TAPS AND CUTTING TOOLS LIMITED

CIN: L29220MH1995PLC091091

Address of the registered office and contact details:

Plot No B-27 and B-27/1, MIDC HINGNA, INDUSTRIAL ESTATE, NAGPUR-440016, Tel Ph.: 07104-237584

DP ID Client ID: _____

Registered Folio No.: _____

No. of Shares: _____

Name(s) and Address of the Shareholder/Proxy in full:

I certify that I am a shareholder / proxy of the shareholder of the Company. I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company being held on Saturday August 12, 2017 at 12:30 p.m. at B-27 7 B-27/1 M.I.D.C. Hingna, Industrial Estate at Nagpur-440016.

Signature of Shareholder/Proxy

Note: Please fill in Attendance Slip and hand it over at the Entrance of the Hall.



FORM NO. MGT-11

PROXY FORM

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

CIN : L29220MH1995PLC091091
 Name of the company : EMKAY TAPS AND CUTTING TOOLS LIMITED
 Registered office : B-277 B-27/1 M.I.D.C. Hingna,
 Industrial Estate, Nagpur-440016.
 Tel. No. 07104-237584
 www.emkaytapsandtools.com

Name of the Member(s) : _____
 Registered Address : _____
 Email id : _____
 Folio No/Client Id : _____

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

1. Name: _____
 Address: _____
 Email Id: _____

Signature: _____ or failing him/her

2. Name: _____
 Address: _____
 Email Id: _____

Signature: _____ or failing him/her

3. Name: _____
 Address: _____
 Email Id: _____

Signature: _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the

Company being held on Saturday August 12, 2017 at 12:30 pm at The Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

- To consider and adopt the Audited financial statements of the Company for the year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors' thereon.
- To consider declaration of Final Dividend as recommended by the Board for F.Y. 2016-17 at Rs. 2/- per share.
- To consider re-appointment of Mr. Ajayprakash Kanoria (DIN: 00041279), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment. For details of Director seeking re-appointment at the Annual General Meeting please refer Annexure I to the Notice.
- To ratify the appointment of the auditors of the Company

Consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

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



“RESOLVED THAT pursuant to the provisions of Section 139, Section 142 and other applicable provisions of the Companies Act, 2013, and rules made there under, as amended from time to time, M/s. Vijay Agrawal & Co., Chartered Accountants, (FRN No. 138350W) of Nagpur, be and is hereby appointed as

Statutory Auditors of the Company from the conclusion of 22nd AGM till the conclusion of 23rd AGM and that the Board of Directors be and is hereby authorised to fix their remuneration for the Financial Year 2017-18, as may be determined by the audit committee in consultation with Auditors.”

Signed this _____ day of _____ 2017

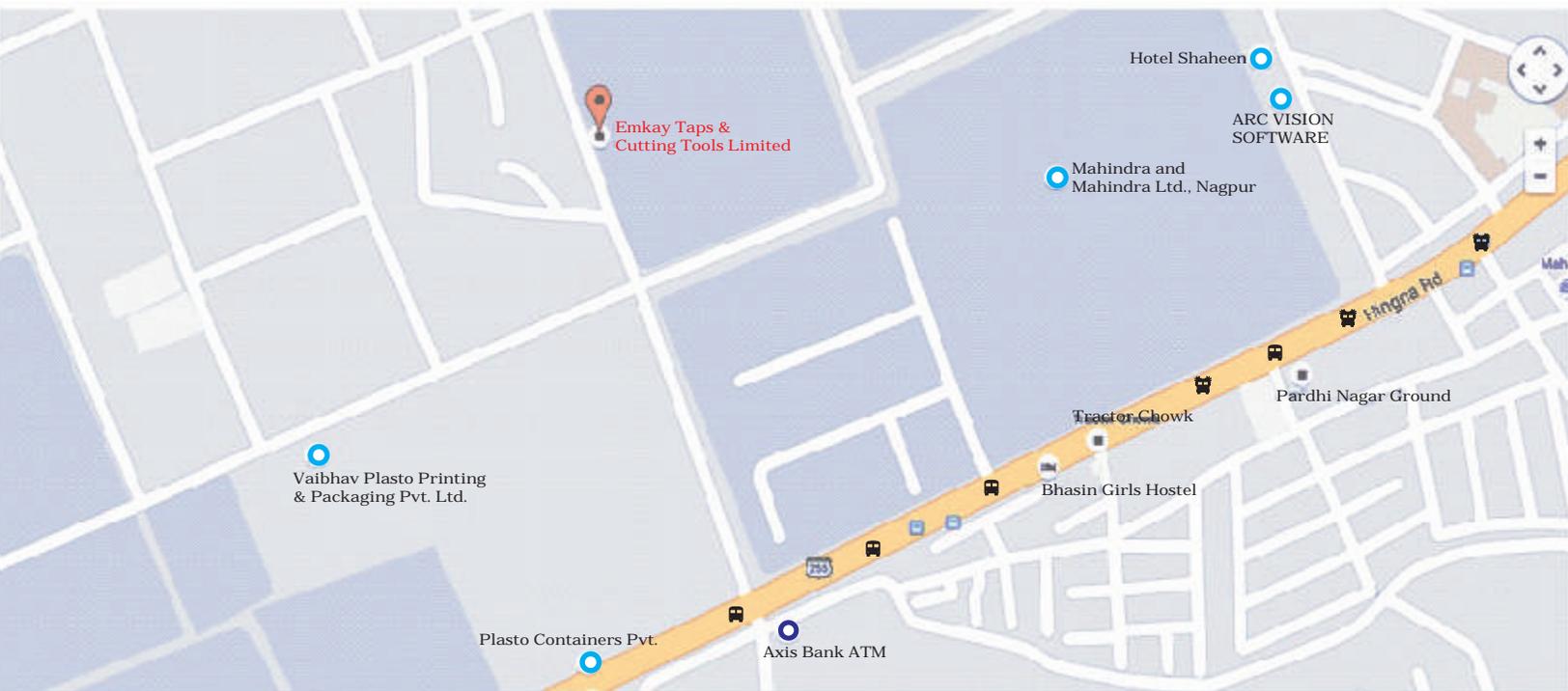
Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

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

◀ Map for AGM Venue ▶



Emkay Taps & Cutting Tools Limited

- ↳ Landmark: Mahindra & Mahindra CO. – 600m – 2 min.
- ↳ Distance from Hingna T –Point – 4.5 km – 10 min.
- ↳ Distance from Mascot Honda Bhagat chowk – 1.8km – 6 min.
- ↳ Distance from IC square – 1.4km – 4 min.



EMKAY TOOLS

:: Factory Premises & Registered Office::

EMKAY TAPS AND CUTTING TOOLS LIMITED

B-27/B-27/1, M.I.D.C Hingna, Industrial Estate, Nagpur-440016