EMKAY TOOLS

ANNUAL REPORT 2018

EMKAY TAPS AND CUTTING TOOLS LTD.

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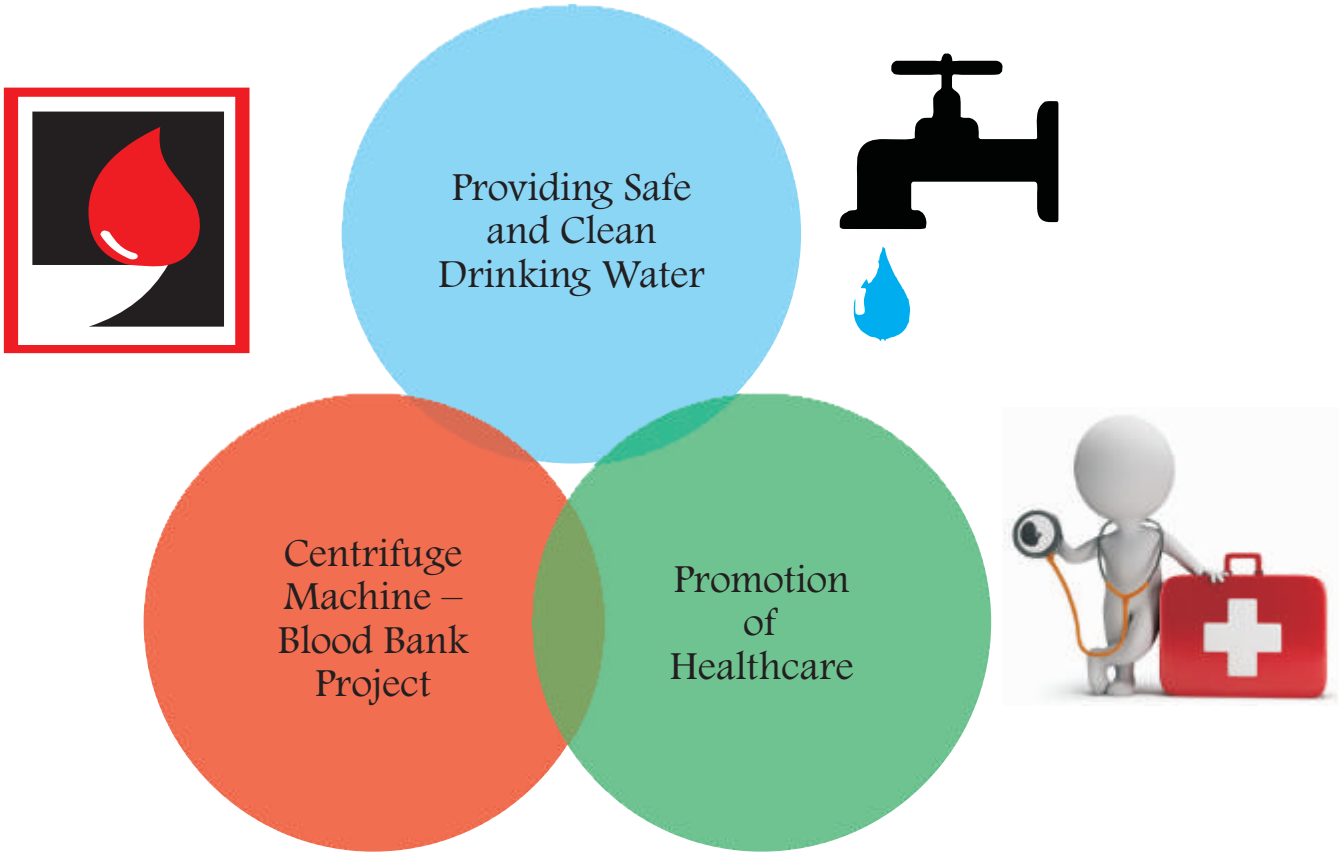
CSR Initiatives by the Company during the Year Under Review



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

Auditor's

Statutory Auditor

M/s. Vijay Agrawal& Co.
Chartered Accountants
A-14, Raj Kamal Complex,
Panchasheel square, Dhantoli,
Nagpur-440012, Maharashtra
Tel. No.: +91- 712 – 2426 889
Email: vaca.ngp@gmail.com

Peer Review Auditor

M/s K.P.R.K. & Associates
Peer Review Chartered Accountants
C-1, Garg Gokul Appts., 156,
Gokulpeth, Nagpur-44001
Tel. No. : +919371455299,
Email:kprkca.sma@gmail.com

Secretarial Auditor

M/s H. Roshan & Associates
Company Secretaries
Grd. Floor, Business Plaza,6,Farmland,
Central Bazaar Road, Lokmat Square,
Nagpur-440010
Tel. No.: +91-712-2456607
Email: mcagsb83@gmail.com

Correspondence Details for Investors

Bigshare Services Pvt. Ltd.
Registrar & Transfer Agent
E/23 Ansa Industrial Estate,
Sakhivihar Road,Sakinaka, Andheri (East),
Mumbai – 400 072,Maharashtra
Tel. No.: 022- 40430262
Website:www.bigshareonline.com

Emkay Taps And Cutting Tools Ltd.
Company Secretary & 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

Bankers

ICICI Bank Ltd.
Bank of Maharashtra
HDFC Bank Ltd.

Committees*

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

Stock Exchange

National Stock Exchange
"SME EMERGE"

*Detailed information regarding above mentioned committees is given in Corporate Governance Report which forms part of this Annual Report.
^Mr. Rahul Bagdia resigned during the year w.e.f. December 11, 2017.

Notice of 23rd Annual General Meeting

Dear Member(s),

Notice is hereby given that 23rd Annual General Meeting of the Members of Emkay Taps and Cutting Tools Limited scheduled to be held on Saturday September 15, 2018 at 11.00 am 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 businesses:

ORDINARY BUSINESS

1. To consider and adopt the Audited financial statements of the Company for the year ended March 31, 2018 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. 2017-18 of Rs. 3/- per share.
3. To consider re-appointment of Mrs. Alka Ajayprakash Kanoria (DIN: 00041346), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers herself for re-appointment. For details of Director seeking re-appointment at the Annual General Meeting please refer Annexure to the Notice.
4. To appoint the auditors of the Company, and to fix their remuneration;

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, Section142 and other applicable provisions of the Companies Act, 2013, and rules made there under, as amended from time to time and pursuant to the proposals of the audit committee of the Board and recommendation of the Board, M/s P.S. THAKARE & CO., Peer Reviewed Chartered Accountants from Nagpur be and is hereby appointed as the Statutory Auditor for a term of five financial years starting from F.Y. 2018-2019 TO F.Y. 2022-2023 i.e. from the conclusion of 23rd AGM till the conclusion of 28th AGM of the Company and Directors of the Company be and is hereby authorized to fix their remuneration from time to time in consultation with the Audit Committee of the Board;

RESOLVED FURTHER THAT Mr. Ajayprakash Kanoria, Chairman and Managing Director of the Company be and is hereby authorised to file necessary form with Registrar of Companies and to do all such act, deeds and things as may be considered necessary to give effect to the above said resolution."

For Brief Profile of the Auditor recommended by the Board refer Annexure to the notice.

SPECIAL BUSINESS

5. To consider increase in Authorised Capital of the Company from Rs. 2 crores to Rs. 12 crores by creation of additional 1,00,00,000 shares of Rs. 10/- and consequent with this increase alteration in clause (V) of the memorandum of association of the Company.

   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 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013, including any amendment thereto or re-enactment thereof, and the rules framed there under, the consent of the members of Company be and is hereby accorded to increase Authorized Share Capital of the Company from existing Rs. 20,000,000 (Rupees Two Crore only) to Rs. 120,000,000 (Rupees Twelve Crores only) divided into 120,00,000 (One Crore Twenty Lakhs) Equity shares of Rs. 10/- (Rupees Ten each) by creating of an additional 10,000,000 (Rupees One Crore) Equity Shares of Rs. 10/- (Rupees Ten each), ranking pari passu with the existing share capital of the Company;

   RESOLVED FURTHER THAT as a result of increase in the Authorized Share Capital of the Company, clause (V) of the Memorandum of Association of the Company be and is hereby altered accordingly.

   FURTHER RESOLVED THAT Mr. Ajayprakash Kanoria, the Chairman & Managing Director of the company be and is hereby authorised to do all the acts and deeds as may necessary to give effect to the above resolution."

6. To consider and make Bonus Issue in the ratio of 5:1 (i.e. 5 equity shares to be issued for every one equity share held) to the existing shareholders as recommended by the Board of Directors.

   "RESOLVED THAT pursuant to Section 63 and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder, Articles 191 to 193 of the Articles of Association of the Company, provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force, to the extent notified and in effect and subject to such approvals, consents, sanctions, permissions and provisions of other applicable laws, regulations, rules, directions, guidelines and such other regulatory authority(ies) concerned, from time to time, to the extent applicable and on such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested while granting such approvals, the consent and approval of the members of the company be and is hereby accorded to capitalize a sum not exceeding Rs. 8,89,27,500 crores (Rupees Eight crore eighty nine lakhs twenty seven thousand five hundred only) out of the Free Reserves of the Company, as appropriate, for the Financial year ended March 31, 2018, and accordingly the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee or authorized person(s) which the Board has constituted or appointed to exercise its powers, as the case may be, including the powers, conferred by this Resolution) be and is hereby authorized to appropriate the said sum for distribution to and amongst the members of the Company, whose names appear in the Register of Members maintained by the Registrar and Transfer Agent of the Company and the List of Beneficial Owners as received from the National Securities Depository Limited and Central Depository Services (India) Limited on such date (to be referred as "Record Date") as may be fixed in this regard by the Board/Committee in accordance with law and to apply the said sum in paying up in full a maximum of 88,92,750 Equity Shares ("the Bonus Shares") of the Company of Re.10/- each (Rupee Ten only) at par, to be allotted, distributed and credited as fully paid-up to and amongst the members in the proportion of five bonus shares for

every One existing fully paid up equity shares held by them respectively as on the Record Date and that the Bonus Shares so distributed, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company by each members.

RESOLVED FURTHER THAT the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank pari passu in all respect with the existing fully paid up Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Bonus Shares on the Stock Exchanges where the Equity Shares of the Company are listed, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Rules and Regulations;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question or difficulty that may arise in relation thereto, decide the exact number of Bonus Shares to be issued based on the Paid up capital of the Company as obtaining on the Record Date and to delegate all such powers granted hereunder to a Committee of Directors and / or Company Secretary or any other officer(s) of the Company, as may deem fit or desirable and their decision shall be final and binding.

7. Re-Appointment of Mr. Ajayprakash Kanoria as Managing Director of the Company;

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

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other consents and permission as may be necessary, variations as may be approved and acceptable by the Members of the Company, approval be and is hereby accorded for the re-appointment of Mr. Ajayprakash Kanoria (DIN: 00041279) as Managing Director of the Company, for a period of 5 (five) years with effect from April 1, 2019 to March31, 2024 with existing terms and conditions of remuneration i.e. payment of remuneration of 5% of net profit calculated in accordance with Section 198 of the Act, subject to remuneration of INR 3,00,000.00 (Indian Rupees Three Lakhs Only) per month plus 3% of net profit subject maximum of 5% of net profit (calculated as per section 198 of the Companies Act, 2013, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Ajayprakash Kanoria, whose office will be liable to determination by retirement by rotation;

RESOLVED FURTHER THAT the Board of Directors, be and is hereby also authorized to take such steps, actions and do things, deeds, matters as may be required or are necessary so as to give effect to this Resolution."

For Brief Profile of Managing Director refer Annexure to the notice.

8. Re-Appointment of Mrs. Alka Ajayprakash Kanoria as Whole Time Director of the Company;

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

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other consents and permission as may be necessary, variations as may be approved and acceptable by the Members of the Company, approval be and is hereby accorded for the re-appointment of Mrs. Alka Ajayprakash Kanoria (DIN: 00041346) as Whole Time Director of the Company, for a period of 5 (five) years with effect from April 1, 2019 to March 31, 2024 with existing terms and conditions of remuneration i.e. payment of remuneration of 5% of net profit calculated in accordance with Section 198 of the Act, subject to remuneration of INR 1,00,000.00 (Indian Rupees One Lakhs Only) per month plus 2% of net profit subject to maximum of 5% of net profit (calculated as per section 198 of the Companies Act, 2013, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mrs. Alka Ajayprakash Kanoria, whose office will be liable to determination by retirement by rotation;

RESOLVED FURTHER THAT the Board of Directors, be and is hereby also authorized to take such steps, actions and do things, deeds, matters as may be required or are necessary so as to give effect to this Resolution."

For Brief Profile of Whole-time Director refer Annexure to the notice.

By the Order of Board of Directors
For EMKAY TAPS AND CUTTING TOOLS LIMITED

Nagpur, Saturday, August 18, 2018

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 her/him 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. The Explanatory Statement as required under the provisions of section 102 of the Companies Act, 2013 is provided with this notice for the special business to be transacted at the meeting.
6. 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, September 25, 2018 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 September 07, 2018 for the purpose of final dividend declaration and distribution, if any.
7. 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 September 7, 2018 to September 15, 2018 (both days inclusive) for the purpose of 23rd AGM and Final dividend for F.Y. 2017-18.
8. If the issue of Bonus shares, as recommended by the Board of Directors, is approved at the AGM, allotment shall be made 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 Tuesday September 25, 2018 to be called as "Record Date" for the purpose of Issue of Bonus shares, if any.
9. Members wishing to claim dividends for F.Y. 2016-17, which remain unclaimed, are requested to correspond with Bigshare Services Pvt. Ltd. Registrar & Share Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of the transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956) be transferred to the Investor Education and Protection Fund.
10. 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.
11. The Notice of the AGM along with the Annual Report 2017-18 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 2017-18 will also be available on the Company's website viz. www.emkaytapsandtools.com
12. 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.
13. 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.
14. 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.
15. Ministry of Corporate Affairs has notified Amendment Companies Act, 2017 on January 3, 2018 and with that though the Ministry from time to time has notified various sections of the Amendment Act 2017 but there is lack of clarity with compliance of some interlinked sections since all the amendment sections are yet to be notified. Thus the Management has opted to comply with the provisions and disclosures as applicable in FY 2016-17 which have been or in process of abolition pursuant to the said notification of amendment Act. Company is always committed to good corporate governance and believes and practice due compliance with the applicable provisions.
16. Map for 23rd AGM venue is given at the end of this Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.5 & 6:

The equity shares of the Company are listed and actively traded on National Stock Exchange of India Limited, EMERGE SME Platform. The operations and performance of the Company has grown notably over the past few years. The market price of the Company's shares has also increased significantly. Over the period of time the Company have created free reserves to a considerable extent out of its distributable profits and the balance in reserves and surplus as on March 31, 2018 is Rs. 102.15 crores. With a view to share a part of the Company's free reserves, the Board of Directors of the Company in their meeting held on August 18, 2018 has recommended issue of bonus shares in the ratio of 5:1(i.e. 5 equity shares to be issued for every one equity share held), subject to the approval of Shareholders. The issue of bonus shares, by way of capitalizing reserves, is authorized by the Company's Articles of Association. The paid-up capital as on date of ensuing AGM i.e. September 15, 2018 is Rs.1,77,85,500/-. An amount of Rs. 8,89,27,500 crores (Rupees Eight crore eighty nine lakhs twenty seven thousand five hundred only), from the free reserves is required to be capitalized for the issue of bonus shares in the ratio of 5:1 (i.e. 5 equity shares to be issued for every one equity share held). After the bonus issue, the paid-up share capital would increase to Rs. 10,67,13,000 crores. The proposal for capitalization of the said reserves and issue of

bonus shares is now placed for consideration and approval of the members. The Record Date for determining the eligibility of the shareholders to receive the said bonus shares as fixed by the Board is September 25, 2018. The Board of Directors recommend for approval of members the capitalization of reserves and issue of bonus shares as proposed. Presently, the Authorized Share Capital of your Company is Rs. 2,00,00,000/- (Rupees Two Crores only) divided into 20,00,000 (Twenty Lakhs Only) Equity Shares of Re. 10/- (Rupee Ten only) each. To implement the issue of bonus shares in the above ratio, the Board of Directors also considered increasing the Authorised Share Capital of the Company from Rs.2 crores to Rs.12 crores by creation of additional 1,00,00,000 (One Crores Only) Equity Shares of Re. 10/- each. In view of the same, it is necessary to amend Clause V of Memorandum of Association to increase the Authorised Share Capital from Rs.2 crores to Rs.12 crores by placing an ordinary resolution for consideration and approval of the members. In terms of the applicable provisions of the Companies Act, 2013, the increase in Authorised Share Capital and consequential changes in Clause V of the Memorandum of Association of the Company and issue of Bonus shares, require approval of the Members of the Company. Accordingly, the resolutions at item nos. 5 and 6 of the Notice, seeks approval of the Members for increase in Authorised Share Capital and consequential changes in Clause V of the Memorandum of Association of the Company and to issue of Bonus shares in the ratio of 5:1(i.e. 5 equity shares to be issued for every one equity share held).

The Directors recommend the Resolution(s) at item nos. 5 and 6 of the Notice, for the approval of the Members of the Company by way of Ordinary Resolutions. The relevant documents referred in respect of the said items including draft memorandum of association depicting aforesaid changes in capital clause of memorandum of association are open for inspection by the members at the Registered Office of the Company on all working days during 11 a.m to 01.00 p.m up to the date of the meeting and also at the meeting.

The Directors / Key Managerial Personnel or their relatives are concerned or interested, to the extent of their shareholding in the Company, if any, in the resolutions set out at item nos. 5 and 6 of the notice.

Item No.: 7

Mr. Ajayprakash Kanoria had been appointed as Managing Director of the Company on July 17, 2008 and further his terms had been revised for a period of 5 years with effect from 1st April, 2014 pursuant to provisions of Companies Act, 2013. The existing term of appointment of Mr. Ajayprakash Kanoria, Managing Director of the Company expires on 31st March 2019. The Board of Directors, at its meeting held on August 18, 2018, subject to the approval of the Members, has considered and approved the re-appointment of Mr. Ajayprakash Kanoria as Managing Director of the Company, liable to retire by rotation, for a period of 5 (Five) years with effect from April 1, 2019 to March 31, 2024.

Further based on the result of the performance evaluation and the needs of the Company, the Nomination and Remuneration Committee of the Board has recommended that his continued association as Managing Director, would be of immense benefit to the Company and it is desirable to continue to avail his services as the Managing Director of the Company. Therefore, the Board proposes to seek approval of the Members of the Company, on the following terms and conditions including remuneration:

a.	Designation	Managing Director
b.	Remuneration	Rs. 3,00,000/- per month plus 3% of the Net Profit subject to maximum of 5% of net profit
c.	Revision of remuneration	Revision may be considered by the Board from time to time subject to limits set out in the Companies Act, 2013 and Schedule V thereof.

Mr. Ajayprakash Kanoria is not disqualified from being re-appointed as a Managing Director of the Company in terms of Section 164 of the Act.

Brief profile along with other particulars of Mr. Ajayprakash Kanoria, as required under provisions of Regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

Mr. Ajayprakash Kanoria is a husband of Mrs. Alka Kanoria, Whole Time Director of the Company.

Approval of Members is solicited for re-appointment and payment of remuneration to Mr. Ajayprakash Kanoria, as Managing Director, in terms of applicable provisions of the Act.

The Directors recommend the resolution as set out at Item No. 7 of the accompanying Notice for the approval of Members.

Except, Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria, and their relatives, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested in the said resolution.

Item No.: 8

Mrs. Alka Kanoria had been appointed as Whole Time Director of the Company on and further his terms had been revised for a period of 5 years with effect from 1st April, 2014. The existing term of appointment of Mrs. Alka Kanoria, Whole Time Director of the Company expires on 31st March 2019. The Board of Directors, at its meeting held on August 18, 2018, subject to the approval of the Members, has considered and approved the re-appointment of Mrs. Alka Kanoria as Whole Time Director of the Company, liable to retire by rotation, for a period of 5 (Five) years with effect from April 1, 2019 to March 31, 2024.

Further based on the result of the performance evaluation and the need of the Company, the Nomination and Remuneration Committee of the Board has recommended that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as the Whole-time Director of the Company. Therefore, the Board proposes to seek approval of the Members of the Company, on the following terms and conditions including remuneration:

a.	Designation	Whole-time Director
b.	Remuneration	Rs. 1,00,000/- per month plus 2% of the Net Profit subject to maximum of 5% of net profit
c.	Revision of remuneration	Revision may be considered by the Board from time to time subject to limits set out in the Companies Act, 2013 and Schedule V thereof.

Mrs. Alka Kanoria is not disqualified from being re-appointed as a Whole-time Director of the Company in terms of Section 164 of the Act.

Brief profile along with other particulars of Mrs. Alka Kanoria, as required under provisions of Regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

Mr. Alka Kanoria is wife of Mr. Ajayprakash Kanoria, Managing Director of the Company.

Approval of Members is solicited for re-appointment and payment of remuneration to Mrs. Alka Kanoria, as Whole Time Director, in terms of applicable provisions of the Act.

The Directors recommend the resolution as set out at Item No. 8 of the accompanying Notice for the approval of Members.

Except, Mrs. Alka Kanoria and Mr. Ajayprakash Kanoria, and their relatives, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested in

Annexures to Notice of 23rd AGM

Details of Director seeking re-appointment at the 23rd Annual General Meeting

Name	:	ALKA AJAYPRAKASH KANORIA
DIN No.	:	00041346
Date of Birth	:	August 05, 1959
Appointed on	:	15/12/2000*
Qualifications	:	Bachelor's Degree of Science
Brief Profile	:	Mrs. Alka Ajayprakash Kanoria presently designated as the Whole-time Director of the Company. With her strong management skills, she handles the administrative office in a very planned and systematic manner. She was appointed as the Director of our Company on December 15, 2000 and designated at current position w.e.f. July 17, 2008.
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)	:	1,87,365
Relationship with other directors	:	Wife of Mr. Ajayprakash Kanoria, Chairman & Managing Director of the Company.

*Appointed as Whole-time Director of the Company as on July 17, 2008 and her tenure as Whole-time 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.

Profile of Managing Director and Whole-time Director for renewal of term for another five years

NAME	:	AJAYPRAKASH KANORIA, Managing Director
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)	:	1,02,373
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 and 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.*

NAME	:	ALKA AJAYPRAKASH KANORIA, Whole time Director
DIN No.	:	00041346
Date of Birth	:	August 05, 1959
Appointed on	:	15/12/2000*
Qualifications	:	Bachelor's Degree of Science
Brief Profile	:	Mrs. Alka Ajayprakash Kanoria presently designated as the Whole-time Director of the Company. With her strong management skills, she handles the administrative office in a very planned and systematic manner. She was appointed as the Director of our Company on December 15, 2000 and designated at current position w.e.f. July 17, 2008.
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)	:	1,87,365
Relationship with other directors	:	Wife of Mr. Ajayprakash Kanoria, Chairman & Managing Director of the Company.

**Appointed as Whole-time Director of the Company as on July 17, 2008 and her tenure as Whole-time 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.*

Brief Profile of the Audit Firm recommended by the Board for appointment as the Statutory Auditor

(For Appointment as Statutory Auditor of Listed Company under the Provisions of Companies Act, 2013 and SEBI (LODR) Reg., 2015)

1. Name of Auditor Firm: P S Thakare & Co.
2. Address of the Auditor's Firm: Indo Unique Plaza, Opp Bole Petrol Pump, VIP Road, Civil Lines, Nagpur 440001
3. Category of Auditor: Partnership Firm
4. Membership number of Auditor's Firm's Registration number: 128572W
5. Whether the appointment of auditor is within the limits of twenty companies as specified in sub Section 3(g) of Section 141: Yes
6. Whether the auditor/auditor firm is eligible under Sec. 141 of the CA, 2013: Yes

   (Eligibility and consent for appointment as statutory auditor dated 10th May 2018 given to the Board.)
7. Whether the auditor or auditor firm has been subject to peer review examination of ICAI, Delhi : Yes
8. Brief profile of the Firm:

   Founded in 1982 by Late CA P. S. Thakare, P. S. Thakare & Co. has grown to become one of Maharashtra's leading firms of Chartered Accountants. Located in Mumbai and Nagpur, our offices are easy to access and thrive in the most active business areas. We are committed to creating value for clients by delivering exceptional services, building strong relationships, and providing valuable advice.

   Our services include consultancy for State and Central Government subsidies, audit, accounting, tax, internal audit, company secretarial, business consultancy and corporate finance. Our client base spans across several large sized multinational companies, small to medium sized companies and even proprietor owned businesses. Our clientele represents industry sectors such as steel and power, cement, textile, technology, food processing, defence, consumer appliances, automobiles, aluminium, industrial machinery, and healthcare. We specialise in advising clients about availing State and Central Government subsidies to new and expansion units in Maharashtra. We boast an extremely strong portfolio of clients who have availed our services across Maharashtra.

Director's Report

Dear Shareholders,

Your Board of Directors is pleased to present the 23rd Annual Report for the financial year 2017-18, together with the Standalone Audited Financial Statements for the year ended on March 31, 2018.

Financial highlights:

Particulars	Amount (₹ In Crores)		
	F.Y. 2018	F.Y. 2017	Increase/ (Decrease)
Total Revenue from Operations	53.89	44.73	9.16
Other Income	6.21	2.13	4.08
Total Expenditure (excl. depreciation, interest and tax)	31.05	29.20	1.85
Profit before depreciation, interest and tax	29.05	20.83	8.22
Less: Interest	0.41	0.34	0.07
Less: Depreciation and amortization expense	3.15	2.84	0.31
Profit before tax	25.47	17.66	7.81
Net tax expense	5.58	5.81	(0.23)
Profit for the year	19.89	11.85	8.04
Add: Surplus carry forward from the last year Balance sheet	76.91	65.06	14.05
Less: Dividend Paid (Incl. Tax)	0.43	--	0.43
Balance carried over to Balance Sheet	96.37	76.91	19.46
Paid-up share Capital	1.78	1.78	--
Reserves and Surplus	102.15	82.68	19.47
Earnings Per share (₹)	111.82	66.62	45.20

Results of Operations

The total revenue from operation for the F.Y. 2017-18 is ₹ 53.89 crores marking considerable increase as compared to ₹ 44.73 crores in last F.Y. 2016-17. Performance accelerated during the second half of the year under review.

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

- **Taps and Cutting Tools**

  During the year under review, the turnover for Taps and Cutting Tools segment has increased by 21.54% from the last financial year.

  Cutting Tools Industry plays a major role in production of automobiles, which includes 2 wheelers, 4 wheelers & heavy commercial vehicles. Apart from automobiles, there are many ancillaries to supply to these auto companies and also expanding their capacities for exports.

  Automobile industry has been seeing a very good growth during the last few years and it is presumed that going forward this tempo of growth will be maintained in the coming years.

- **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. 17-18 was ₹ 1.28 crores from the power sale during the year under review.

Share Capital

The paid up equity share capital as on 31st March 2018 was ₹1, 77, 85,500. During the period under review, the Company has not issued any shares with differential voting rights or granted stock options or sweat equity during the FY 2017-18.

Dividend

Your Board of Directors is pleased to recommend final dividend of ₹3.00 per equity share, on 1778550 total outstanding equity shares of ₹10/- each, amounting to ₹ 53, 35,650/- in respect of the financial year 2017-18.

Bonus Issue of Shares

Your Board of Directors recommends Bonus Issue of shares in the ratio of 5:1 to the existing shareholders of the company, if same is approved by the shareholders in the ensuing Annual General Meeting.

Material changes /commitments/ developments during the year

- **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.

  As phrased by Indian Machine Tool Manufacturers' Association (IMTMA), "From an end-customer's outlook the indirect tax cost applicable on machine tools was on the higher side, attracting excise duty and VAT depending on the state. Additionally, there was a

cascading of taxes, which has been eliminated with the standard rate of GST at 18% for machine tools."

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. However, the financial impact of GST will vary from company to company and though there are positive vibes in the industry, we will have to wait and watch the real impact of GST on the machine tool industry.

- Capacity Expansion:

  In the F.Y. 2016-17, your Board of Directors reported for completion of major part of the expansion project that has been started in FY 2015-16 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.

  By the end of the FY 2017-18 the aforementioned project was on completion stage and the Company shall be reaping the fruits of implementation of expansion in the years to come.

  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

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the Financial Year i.e. 31st March 2018 and the date of Report.

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 for F.Y. 2017-18.

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. 2017-18 is presented in a separate section forming 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.

Board Meetings

During the year under review 5 (five) 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.

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.

Extract of Annual Return

In accordance with section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual Return in Form No.MGT-9 is attached as "Annexure-C" forms part of the Board's Report.

Directors and Key Management Personnel

I. 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, Mrs. Alka Ajayprakash Kanoria (DIN: 00041346) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers herself for re-appointment. The Board recommends her reappointment by the members at the ensuing AGM.

II. Re-appointment of Managing Director and Whole time Director

In accordance with the provisions of section 196[2] of the Companies Act, 2013 Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria has been reappointed as Managing Director and Whole Time Director respectively, to be effective from 1st April, 2019 for 5 years (till March, 31 2024) by the Board of Directors in their meeting held on August 18, 2018, subject to approval of Members of the Company at this annual general meeting.

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 23rdAnnual General Meeting.

IV. Resignation of Director

Mr. Rahul Bagadia, an Independent Director on Board of the Company has resigned from the Board w.e.f. December 11, 2017. The Board has noted his resignation and places their thanks for his contribution as Independent Director on Board of the Company.

V. Key Managerial Personnel

Pursuant to Section 2(51) and Section 203 of the Companies, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following are the Key Managerial Personnel and during the year there was no change in KMP's of the Company;

- Mr. Ajayprakash Kanoria- Chairman and Managing Director
- Mrs. Alka Kanoria – Whole Time Director
- Mr. Vishnu Sontakke- Chief Financial Officer (CFO)
- Miss. Shruti Sohane- Company Secretary and Compliance Officer

VI. 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 March 8, 2018.

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 available on the website of the Company, for reference visit www.emkaytapsandtools.com

VII. 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].

VIII. 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. No new Director joined the Board of the Company during the year under review; hence no such program has been conducted during the FY 2017-18.

IX. 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:

POLICY NAME	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/
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_etctl/
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_EMKAYTOOLS.pdf
Policy for Evaluation of Performance of the Board of Directors	The company has formulates this policy for annual performance evaluation of the Directors individually as well as its committees has been carried out by the Board in compliance of SEBI (LODR) Regulations,2015	http://emkaytapsandtools.com/wp-content/uploads/2016/02/POLICY-FOR-EVALUATION-OF-PERFORMANCE-OF-THE-BOARD-OF-DIRECTORS_ETCTL.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, 2018, 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, 2018 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.

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 till the conclusion of 24th AGM. Pursuant to Listing of the Company tenure of said Statutory Auditor shall end at the conclusion of 23rd AGM. They have completed consecutive tenure of 10 (ten) year (including transition period) as provided under section 139(2) of the Companies Act, 2013and the rules made thereunder.

M/s P.S. THAKARE, Peer Reviewed Chartered Accountants, Nagpur, (FRN No. 128572W), 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 2018-19.

Section 139(1) of the Companies Act, 2013, further provides that the appointment of statutory auditors shall be placed before the members for their approval. Accordingly, a resolution seeking members approval for the appointment of M/s. P.S. Thakare & Co., Chartered Accountants, (FRN No. 128572W), as statutory auditors of the company is included at Item No. 4 of the Notice convening the AGM.

In view of the above and on recommendation of Audit Committee, the Board of Directors approves and recommends their appointment as Statutory Auditors at the ensuing Annual General Meeting from the conclusion of the 23rd AGM till the Conclusion of 28th AGM and to conduct statutory audit and report thereon from FY 2018-19 till FY 2022-23.

M/s. Vijay Agrawal & Co., Chartered Accountants being the Statutory Auditor of the Company for the year under review, has audited books for the F.Y. March 31, 2018 and accordingly has submitted Independent Auditor's Report on the same for F.Y. 2017-18.

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, 2018 in compliance of Reg. 33 (1) (d) of SEBI (LODR) Regulations, 2015. The Board has duly reviewed the Peer Review 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 in their meeting held on July 18, 2017 to conduct Secretarial Audit and report thereon for F.Y. 2017-18.

Accordingly, the Secretarial Audit Report given by M/s H. Roshan & Associates, Nagpur for the F.Y. 2017-18 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.

Maintenance of Cost Records

In compliance with rule (8) sub-rule (5) clause (ix) of Companies (Accounts) amendment Rules, 2018, the Board of Directors of your company confirms the maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is required by the Company and accordingly such accounts and records are made and maintained by the Company.

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.

Vigil Mechanism

The Board of Directors has formulated a Vigil Mechanism/Whistle Blower Policy which provides a robust framework for dealing with genuine concerns & grievances.

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. Internal Auditor of the Company observes 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.

Insider Trading Code

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("the PIT Regulations") on prevention of Insider Trading, your Company has a comprehensive Code of Conduct for Regulating, monitoring and reporting of trading by Insiders. Your Company also has a Code of Practices and Procedures of fair disclosures of unpublished price sensitive information and these code(s) are in line with the PIT regulations.

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 and rule (8) sub-rule (5) clause (x) of Companies (accounts) amendment Rules 2018, 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
EMKAY TAPS AND CUTTING TOOLS LIMITED

Nagpur, Saturday August 18, 2018

Ajayprakash Kanoria
Chairman & Managing Director

Annexures to 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 2017-18
   - (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 27, 2017 (Omnibus Approval)
   - (f) Amount paid as advances during the F.Y. 2017-18, if any: Please see Annexure to AOC -2.

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.

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

Nagpur, Saturday August 18, 2018

Ajayprakash Kanoria
Chairman & Managing Director

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. 2017-18, if any:	Amount of Transactions (in ₹)	
(a)	(b)	(c)	(f)	2017-18	2016-17
Nagpur Tools Private Limited	Promoter Group Company	Job Work	NIL	62,338,835.00	48,010,974.00
Adishree Engineering Private Limited	Promoter Group Company	Job Work, Purchase of Raw Material	177,172.78	7,131,899.00	5,842,718.00
Mrs. Snehalata Kanoria	Mother of Mr. Ajayprakash Kanoria, Chairman & Managing Director	Interest on Loan	NIL	--	15,000.00
Mr. Ajayprakash Kanoria	Chairman & Managing Director	Managerial Remuneration	NIL	11,240,990.00	8,826,420.00
Mrs. Alka Kanoria	Whole-time Director	Managerial Remuneration	NIL	6,293,990.00	4,730570.00
Mr. Vishnu Sontakke	Chief Financial Officer	Salary	NIL	494,400.00	425,549.00
Ms. Shruti Sohane	Company Secretary	Salary	NIL	345,600.00	288,000.00

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

Nagpur, Saturday August 18, 2018

Ajayprakash Kanoria
Chairman & Managing Director

Annexure B

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2018

[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, 2018, 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, Saturday August 18, 2018

For H. ROSHAN & ASSOCIATES
Company Secretaries

ROSHAN HARDE
(PARTNER)
Mem. 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, Saturday August 18, 2018

For H. ROSHAN & ASSOCIATES
Company Secretaries

ROSHAN HARDE
(PARTNER)
Mem. No. 34630-
CP. No. 13138

Annexure-C

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[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: www.bigshareonline.com

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 andDescription of main products/ services	NIC Code of the Product/Service	% to total turnover of thecompany
1.	Taps and Cutting Tools	28221*	92.55%

*As per Revised National Industrial Classification – 2008

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				

I. 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 March 31, 2017				No. of shares held at the end of the year (As on March 31, 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1052750	0	1052750	59.19	1060350	0	1060350	59.62	0.56
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	265450	0	265450	14.93	265450	0	265450	14.93	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
f) Any other	0	0	0	0.00	0	0	0	0.00	0
Sub-total (A) (1)	1318200	0	1318200	74.12	1325800	0	1325800	74.54	0.00
(2) Foreign									
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)	1318200	0	1318200	74.12	1325800	0	1325800	74.54	0.56
B. Public Shareholding									
1. Institutions									
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
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

Category of Shareholders	No. of Shares held at the beginning of the year (As on March 31, 2017				No. of shares held at the end of the year (As on March 31, 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non-Institutions									
a) Bodies Corporate									
i) Indian	183600	0	183600	10.32	189600	0	189600	10.66	0.34
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individual Shareholders									
i) Individual Share-holders holding Nominal Share Capital up to ₹1 Lakh	121150	0	121150	6.81	100750	0	100750	5.66	(1.15)
ii) Individual Shareholders holding Nominal Share Capital in excess of ₹1Lakh	154000	0	154000	8.66	154000	0	154000	8.66	0.00
c) Others									
i) Foreign Bodies/ QFI's	0	0	0	0.00	0	0	0	0.00	0
ii) Non-banking financing company	0		0	0	0.00	0	0	0	0.000
iii) Non-resident India									
- NRI's	0	0	0	0.00	0	0	0	0.00	0
- REPEAT	0	0	0	0.00	0	0	0	0.00	0
- NON-REPEAT	0	0	0	0.00	400	0	400	0.02	0.02
iv) Trusts	0	0	0	0.00	0	0	0	0.00	0
v) IEPF	0	0	0	0.00	0	0	0	0.00	0
vi) Directors Relatives	0	0	0	0.00	0	0	0	0.00	0
vii) Employee	0	0	0	0.00	0	0	0	0.00	0
viii) Clearing Member	1600	0	0	0.09	8000	0	8000	0.45	0.36
Sub-total (B)(2)	460350	0	460350	25.88	452750	0	452750	25.46	(0.42)
Total Public Shareholding (B)=(B1)+(B2)	460350	0	460350	25.88	452750	0	452750	25.46	(0.42)
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 March 31, 2017)			No. of shares held at the end of the year (As on March 31, 2018)			% change during the year*
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Ajayprakash Kanoria	96375	5.42	0	102375	05.76	0	0.34
2.	Ajayprakash Kanoria HUF	768760	43.22	0	770360	43.31	0	0.09
3.	Alka Kanoria	187365	10.53	0	187365	10.53	0	0.00
4.	Nagpur Tools Pvt. Ltd.	265200	14.91	0	265200	14.91	0	0.00
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	1052750	74.10	0	1325800	74.53	0	0.43

iii) Change in Promoter's Shareholding

Name	Shareholding at the beginning of the year (As on 01-04-2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)				
	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	05.42	12.06.2017	6000	Open Market purchase	102375	05.76
Ajayprakash Kanoria HUF	768760	43.22	06.04.2017	4800	Open Market	770360	43.31
			16.06.2017	1600	purchase		
			28.02.2018	400	Open Market		
			01.03.2018	400	sale		
			05.03.2018	400			
			06.03.2018	2800			
			19.03.2018	400			
Alka Kanoria	187365	10.53	NA	Nil	NA	187365	10.53
Nagpur Tools Pvt. Ltd.	265200	14.91	NA	Nil	NA	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, 2017)/ at the end of the year (March 31, 2017)		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		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	116,400	6.54
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	51600	2.90
	Less: Sale of Shares during the year (Market sale)	0	0.00	-1200	-0.07
	At the End of the Year	80400	4.52	166800	9.38
2.	BRAJKISHORE AGRAWAL				
	At the beginning of the Year	51200	2.88	51200	2.88
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares during the year (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	45,600	2.56
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares during the year (Market sale)	0	0.00	-45600	-2.56
	At the End of the Year	45600	2.56	0	0.00
4.	NAGINADEVI AGRAWAL				
	At the beginning of the Year	41200	2.32	41200	2.32
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares during the year (Market sale)	0	0.00	0	0.00
	At the End of the Year	41200	2.32	41200	2.32
5.	SHASHI BHUSHAN OMPRAKASH AGRAWAL				
	At the beginning of the Year	10000	0.56	10,000	0.56
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	18800	1.06
	Less: Sale of Shares during the year (Market sale)	0	0.00	0	0.00
	At the End of the Year	10000	0.56	28800	1.62
6.	NIKHIL SHASHI AGRAWAL				
	At the beginning of the Year	22,400	1.26	22,400	1.26
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares during the year (Market sale)	0	0.00	0	0.00
	At the End of the Year	22,400	1.26	22,400	1.26
7.	AGRAWAL SHASHI BHUSHAN OMPRAKASH				
	At the beginning of the Year	15600	0.88	15600	0.88
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares during the year (Market sale)	0	0.00	-8000	-0.45
	At the End of the Year	15600	0.88	7600	0.43

Sr. No.	Name	Shareholding at the beginning of the year (As on April 1, 2017)/ at the end of (March 31, 2017)		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		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	13200	0.74	13200	0.74
	Add: Purchase of shares during the year (Market Purchase)	0.00	0.00	0.00	0.00
	Less: Sale of Shares during the year (Market sale)	0.00	0.00	0.00	0.00
	At the End of the Year	13200	0.74	13200	0.74
9.	VINODKUMAR RANCHHODDAS MOHOTA				
	At the beginning of the Year	12800	0.72	12800	0.72
	Add: Purchase of shares during the year (Market Purchase)	0.00	0.00	0	0.00
	Less: Sale of Shares during the year (Market sale)	0.00	0.00	-10000	-0.56
	At the End of the Year	12800	0.72	2800	0.16
10.	VEENADEVI VINODKUMAR MOHOTA				
	At the beginning of the Year	10800	0.61	10800	0.61
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares during the year (Market sale)	0	0.00	0.00	0.00
	At the End of the Year	10800	0.61	10800	0.61
11.	ROHIT AGRAWAL				
	At the beginning of the Year	10000	0.56	10000	0.56
	Add: Purchase of shares (Market Purchase)	0	0.00	0	0.00
	Less: Sale of Shares (Market sale)	0	0.00	10000	0.56
	At the End of the Year	10000	0.56	0	0.00
12.	PUSHPA SHANTILAL LUNKAD				
	At the beginning of the Year	0	0.00	0	0.00
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	8400	0.47
	Less: Sale of Shares during the year (Market sale)	0	0.00	0	0.00
	At the End of the Year	0	0.00	8400	0.47
13.	ANAND RATHI SHARE & STOCK BROKERS LIMITED				
	At the beginning of the Year	0	0.00	0	0.00
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	14400	0.81
	Less: Sale of Shares during the year (Market sale)	0	0.00	6400	0.36
	At the End of the Year	0	0.00	8000	0.45

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			

vi) 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 (01.04.2017)					
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
	Change in Indebtedness during the financial year				
	Addition	69.33	0.0000	0.0000	69.33
	Reduction	70.16	0.0000	0.0000	70.16
	Net Change	(0.8316)	0.0000	0.0000	(0.8316)
	Indebtedness at the end of the financial year (31.03.2018)				
i)	Principal Amount	4.2591	0.0127	0.0000	4.2718
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)	4.2591	0.0141	0.0000	4.2732

vii) 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	7,640,990.00	5,093,990.00	8,756,990.00
	TOTAL (A)	11,240,990.00	6,293,990.00	17,534,980.00

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	21,500.00	0.00	21,500.00
b.	Rahul Bagdia	3,500.00	0.00	3,500.00
c.	Ravindra Loiya	9,000.00	0.00	9,000.00
d.	P.C. Ramchandran	10,000.00	0.00	10,000.00
	Total (1)	44,000.00	0.00	44,000.00
2.	Other Non-Executive Directors	NA		
	Total (2)	0.00	0.00	0.00L
	Total (B)=(1+2)	44,000.00	0.00	44,000.00
	Total Managerial Remuneration	(A+B)	17,578,980	
	Overall Ceiling As Per The Companies Act, 2013 (As per section 197 and 198) 11% of Net Profit	23,252,711.36		

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

Particulars of Remuneration	Key Managerial Personnel Amount in lakhs (₹)		
	Shruti Sohane, CS	Vishnu Sontakke, CFO	Total
Gross salary	3.46	4.94	8.40
Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity			
Commission			
As % of profit	-	-	-
Others, specify	-	-	-
TOTAL	3.46	4.94	8.40

viii) 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			NIL		
C. OTHER OFFICERS INDEFAULT					
Penalty Punishment Compounding			NIL		

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

Nagpur, Saturday August 18, 2018

Ajayprakash Kanoria
Chairman& Managing Director

ANNEXURE D

ANNUAL REPORT ON THE CSR ACTIVITIES

Your Company is committed and believes in promoting well being of the society in which it operates and the CSR Committee of the Company has been cautioned in identification of those CSR projects as covered under CSR Policy of the Company and promptly executing and monitoring the identified projects in association with various local charitable and Not for Profit organizations. 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 remains committed to meet its CSR obligations on annual basis.

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:
   - Mr. Ajayprakash Kanoria, Chairman
   - Mr. Alka Kanoria, Member
   - Mr. Mahesh Mor, Member
3. Average net profit of the Company for last three financial years : ₹ 15,48,86,402.66
4. Prescribed CSR expenditure (two percent of the amount as in item3 above): ₹ 30,97,728.04
5. Details of CSR spent during the financial year :
   (a) Total CSR Amount for the F.Y. 17-18 : ₹ 32,15,018.00
   (b) Actual Spent during the F.Y. 17-18 : ₹ 20,15,018.00
   (c) Amount Committed but yet to be spent, if any : ₹ 12,00,000.00*
   (d) Reason for difference in Total CSR Amount and Actual Amount spent in the financial year 17-18:

   The CSR Committee in their meeting held on March 8, 2018, identified and decided to undertake a project with an overall cost to execute the Project of Rs. 12,00,000/- and the management has made commitment to spent Rs. 12,00,000/- however due to delay in execution of the Project disbursement shall be made in the FY 18-19.

   (e) 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.

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

Nagpur, Saturday August 18, 2018

Ajayprakash Kanoria
Chairman& Managing Director

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 (in Rs.)	Amount spent on the Projects or programs Sub-heads: (l) Direct expenditure on projects / Programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Drinking Water Tank provided on per day basis	Making available safe drinking water	Digdoh (Deevi) grampanchayat MIDC Hingna Nagpur	86,400.00	Water tank was directly provided by the Company through Water Tank Supplier	86,400.00	Digdoh (Deevi) Grampanchat
2.	Contribution for health check-up and treatment of needy patients	Promotion of Healthcare	Arogya Seva Kendra, Parsodi-Khapri, Wardha Road Nagpur	15,00,000.00	Donation given to Vivekanand hospital Medical Mission for implementation of the project	15,00,000.00	Vivekanand hospital Medical Mission, Nagpur
3.	Subsequent Contribution for purchase of Centrifuge Machine	Promotion of health care	Nagpur, Maharashtra	3,28,681.00	Donation given to Hedgewar Blood Bank for purchase of Centrifuge Machine	3,28,681.00	Hedgewar Blood Bank Nagpur
4.	Contribution for Purchase of Medicines and Medical Equipments	Promotion of Healthcare	In 50 villages near Nagpur, Nagpur rural, Umred & Hingna Tehsil of Vidharbha region in Maharashtra State	1,00,000.00	Donation given to Niramaya Bahuudhessiya Sansthan	1,00,000.00	Niramaya Bahuudhessiya Sansthan
					TOTAL	20,15,018.00	

Implementation Agency:

- Digdoh Devi Grampanchayat, MIDC Hingna Nagpur
- Vivekanand hospital Medical Mission, Nagpur established in 1974
- Hedgewar Blood Bank established in 1980
- Niramaya Bahuudhessiya Sansthan established in 2013

For EMKAY TAPS AND CUTTING TOOLS LIMITED

Nagpur, Saturday August 18, 2018

Ajayprakash Kanoria
Chairman of CSR Committee

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. 2017-18.

Sr. No.	Name	Designation	Total Remuneration (in ₹)	Ratio of Directors Remuneration to Median remuneration	% increase in the remuneration
				(A)	(B)
I.	Executive Director				
1.	Mr. Ajayprakash Kanoria	Chairman & Managing Director	11,240,990.00	35.57	NA
2.	Mrs. Alka Kanoria	Whole-time Director	62,93,990.00	19.92	NA
II.	Non-Executive Director				
3.	Mr. Mahesh Mor	Independent Director	21,500.00	NA	NA
4.	Mr. Rahul Bagdia	Independent Director	3,500.00	NA	NA
5.	Mr. Ravindra Loiya	Independent Director	9,000.00	NA	NA
6.	Mr. P.C. Ramchandran	Independent Director	10,000.00	NA	NA
III.	Key Managerial Personnel				
7.	Mr. Vishnu Sontakke	Chief Finance Officer	425,549.00	NA	16.18%
8.	Ms. Shruti Sohane	Company Secretary	3,45,600.00	NA	20%

C. 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 2017-18
2017-18	2016-17	
3,16,008.00	2,82,447.00	11.88%

D. The number of permanent employees on the rolls of company as on March 31, 2017 : Sixty Seven (67)

E. 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 2017-18
All permanent Employees	16.08%
Executive Directors/ Managerial Remuneration	
Mr. Ajayprakash Kanoria	NA*
Mrs. Alka Kanoria	NA*

Note: Increase in overall remuneration to the Executive Directors is due to increase in remuneration as % of Net Profit which in turn is due to increase in Profit earnings of the Company

F. 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.

2. 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:

The names of the top ten employees in terms of remuneration drawn and the name of every employee, who-

(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than [one crore and two lakh rupees];

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	11,240,990.00	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: 61 years	49.07% *	Yes, husband of Alka Kanoria, Whole-time director
2.	ALKA KANORIA	Whole-time Director	62,93,990.00	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: 59 Years	10.53%	Yes, Wife of Mr. Ajayprakash Kanoria, Chairman & Managing Director
3.	SOURABH SONTAKKE	Regional Manager - Sales	21,20,814.00	Permanent, Joined as fresher in 1991	B.com, D.B.M 27 years of experience, Age: 49 years	Nil	No
4.	PRAVEEN KUMAR TIWARI	Regional Manager - Sales	14,48,351.00	Permanent, Joined in September 2015, Previously employed at Hitco Tools Ltd	Diploma in Engineering, 12 years experience, Age: 37 years	Nil	No
5.	VILAS YESKADE	Production Engineer	14,06,804.00	Permanent, Joined as fresher in October 1999	Diploma in Mechanical Engineering, 19years Age: 41 years	Nil	No
6.	M.SUBBIAN	Regional Manager- Sales	13,60,575.00	Permanent, Joined in April 2017, Previously employed at M/S Ital Plastics Compounds Pvt. Ltd.	Diploma in Mechanical Engineering at Sankar Institute of Polytechnic, Thirunelveli. Experience 31 years Age: 54	Nil	No
7.	DHANANJAY MANE	Production Engineer	13,36,816.00	Permanent, Joined May 2001, Previously employed at Mccano Automobiles	B.E. Mechanical, 21 years experience Age: 44 years	Nil	No

8.	PRAKASH TIWARI	Sales Executive	11,25,296.00	Permanent Joined as fresher May 1995	M.com, Qualified in Management Technology 25 years experience Age: 44 years	Nil	No
9.	VINAY SELKAR	Design Engineer Auto Cad	7,97,082.00	Permanent, Joined in March 2010, Previously employed at ADCC Infocad Ltd.	B.E. Mechanical, 9 years experience, Age: 34 years	Nil	No
10.	VISHAL PATIL	Sr. Application Engineer	7,85,870.00	Permanent, Joined in 2006, Previously employed at Nivita Engineering Pvt. Ltd.	Diploma Mechanical Engineering, 13 years Experience, Age: 43 years	Nil	No

*Note: % of Equity shares held - 5.76 as Individual and 43.31 as Karta of Ajayprakash Kanoria HUF

(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than [eight lakh and fifty thousand rupees per month]; Not Applicable

(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company; Not Applicable

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, 2018.

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. During the year there was replacement of old Compressor with new AC drives.

- Steps taken by the Company for utilising the alternate sources of energy:

  Company is planning 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:

  Moving further with the latest technology upgradation and adoption the company has been successfully improving the production cycle and productivity. During the year, expansion plan came on the completion stage that would further result in technology upgradation. Technology absorption and adoption along with research and development is a continuous process and company is progressively looking forward for more advancement in the years to come.

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

  It is a continuous process and company is largely benefitted 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	2017-18	2016-17
Total Foreign Exchange Outgo	3.97	9.56
Total Foreign Exchange Earned	0.36	0.88

Corporate Governance Report 2017-18

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.

We believe sound corporate governance is critical to enhancing and retaining investor trust. We always seek to ensure that our performance is driven by integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in the corporate governance.

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-2017-18 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 5(five) 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, 2017 to 31st March 2018, the Board of Directors met five times on May 27, 2017, June 3, 2017, July 18, 2017, November 13, 2017 and March 8, 2018. 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

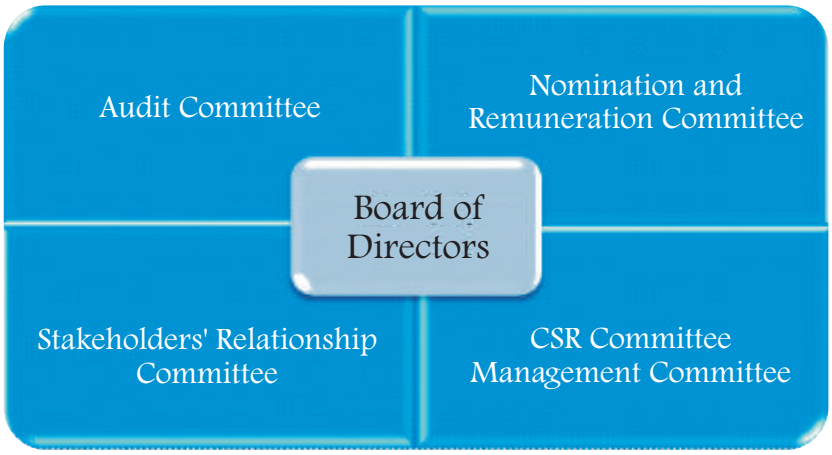
  The Board had approved a code of conduct for Board Members and Senior Management Personnel of the company which also incorporates the duties of Independent directors as laid down in Companies act, 2013. The Code has been displayed on the company's website www.emkaytapsandtools.com

  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. 2017-18	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, 2018
					Chairman	Member	
1.	Ajayprakash Kanoria	CMD	5	Nil	Nil	Nil	1,02,375
2.	Alka Kanoria	WTD	4	Nil	Nil	Nil	1,87,365
3.	Rahul Bagdia^	NEID	1	Nil	Nil	Nil	0
4.	Mahesh Mor	NEID	5	Nil	Nil	Nil	0
5.	Ravindra Loiya	NEID	2	Nil	Nil	Nil	0
6.	P.C. Ramchandran	NEID	2	Nil	Nil	Nil	0

Note: ^ Mr. Rahul Bagdia resigned from the Board of the company w.e.f. December 11, 2017.



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 five times during the F.Y. under review viz, May 27, 2017, June 3, 2017, July 18, 2017, November 13, 2017 and March 8, 2018.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. 2017-18
1.	Mr. Mahesh Mor	NEID	Chairman	5
2.	Mr. Rahul Bagdia^	NEID	Member	1
3.	Mr. P. C. Ramchandran*	NEID	Member	1
4.	Mr. Ajayprakash Kanoria	CMD	Member	5

Note: ^ Mr. Rahul Bagdia resigned from the Board of the company w.e.f. December 11, 2017.
*Mr. P.C. Ramhandran appointed as member of the Committee w.e.f. November 13, 2017

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.

- Nomination and Remuneration/Compensation Committee

The Nomination and Remuneration Committee of the Company met two times during the F.Y. 2017-18 on March 8, 2018.

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. 2017-18
1.	Mr. Mahesh Mor	NEID	Chairman	1
2.	Mr. Rahul Bagdia^	NEID	Member	-
3.	Mr. Ravindra Loiya	NEID	Member	1
4.	Mr. P. C. Ramchandran*	NEID	Member	1

Note: ^ Mr. Rahul Bagdia resigned from the Board of the company w.e.f. December 11, 2017.
*Mr. P.C. Ramhandran appointed as member of the Committee w.e.f. November 13, 2017

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 ad 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 March 8, 2018 at the registered office of the company which was attended by Mr. Mahesh Mor, Mr. Ravindra Loiya and Mr. P. C. Ramchandran. The Stakeholders' Relationship Committee comprised as under:-

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2017-18
1.	Mr. Mahesh Mor	NEID	Chairman	1
2.	Mr. Rahul Bagdia^	NEID	Member	-
3.	Mr. Ravindra Loiya	NEID	Member	1
4.	Mr. P. C. Ramchandran*	NEID	Member	1

Note: ^ Mr. Rahul Bagdia resigned from the Board of the company w.e.f. December 11, 2017.
*Mr. P.C. Ramhandran appointed as member of the Committee w.e.f. November 13, 2017

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 May 9, 2017, July 7, 2017, November 7, 2017 and March 8, 2018 during the year under review. A detailed annual report on CSR during F.Y. 2017-18 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. 2017-18
1.	Ajayprakash Kanoria	CMD	Chairman	4
2.	Alka Kanoria	WTD	Member	4
3.	Mr. Mahesh Mor	NEID	Member	4

♦ Management Committee

The Committee met six (6) times in the F.Y. 2017-18 on June 15, 2017, July 7, 2017, July 27, 2017, November 2, 2017, March 13, 2018 and March 22, 2018.

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2017-18
1.	Ajayprakash Kanoria	CMD	Chairman	5
2.	Alka Kanoria	WTD	Member	5

♦ Remuneration of Managing and Whole Time Director

The details of remuneration paid from 1st April, 2017 to 31st March, 2018 are given below:

Name and Designation	Ajayprakash Kanoria Chairman & Managing Director	Alka Kanoria Whole-Time Director
Particulars	Amount (In ₹)	
Basic Salary	3,600,000.00	1,200,000.00
Perquisites & Allowances	0.00	0.00
% of Net Profit	7,640,990.00	5,093,990.00
Contribution to PF and superannuation fund	28,800.00	21,600.00
Total	11,269,790.00	63,15,590.00

♦ Sitting fees to Non-Executive Directors

The Board of Directors has fixed the sitting fee payable to non-executive independent directors for attending meetings of the Board and its Committees as prescribed in the Companies Act, 2013. 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	NEID	5	13	2,500.00	1,000.00
2.	Mr. Rahul Bagdia	NEID	1	1	2,500.00	1,000.00
3.	Mr. Ravindra Loiya	NEID	2	3	2,500.00	1,000.00
4.	Mr. P. C. Ramchandran	NEID	2	5	2,500.00	1,000.00

Note: Mr. Rahul Bagdia resigned from the Board of the company w.e.f. December 11, 2017. Mr. P.C. Ramhandran appointed as member of the Committee(s) w.e.f. November 13, 2017.

♦ **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, 2018.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.

♦ General Body Meetings

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time
20TH	March 31, 2015	Plot No B-27 And B-27/1,	September 29, 2015	12:30 PM
21ST	March 31, 2016	MIDC Hingna, Industrial Estate,	September 10, 2016	12:30 PM
22ND	March 31, 2017	Nagpur-440016	August 12, 2017	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://emkaytapsandtools.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

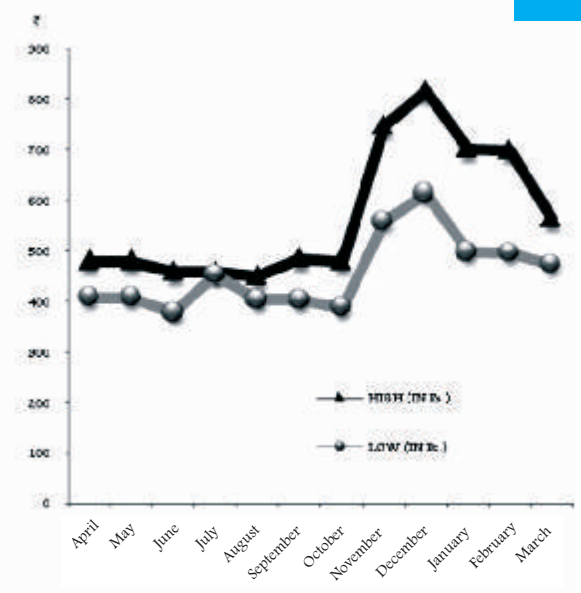
Sr. No.	Salient Items of Interest		Particulars
1.	AGM Day and Date	:	On Saturday September 15, 2018
	Time	:	11.00 AM
	Venue	:	Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016
2.	Financial Year	:	April 1st 2017 to March 31st 2018
3.	Record Date for Bonus shares, if approved by the Shareholders	:	September 25, 2018
4.	Date of Book Closure for AGM and Dividend, if any declared	:	September 7, 2018 to September 15, 2018
5.	Dividend Payment Date	:	September 25, 2018
6.	Listing on Stock Exchanges	:	The Company's equity shares are listed on SME Platform of NSE on 13th August, 2015. The listing fee for the F.Y. 2017-18 has been paid.
7.	Custodian Fees to Depositories	:	The Company has paid fees for the F.Y. 2017-18 to National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) on time.
8.	Symbol	:	EMKAYTOOLS
9.	Registrar and Transfer Agents Registered office Address:	: :	Bigshare Services Private Limited 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.
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

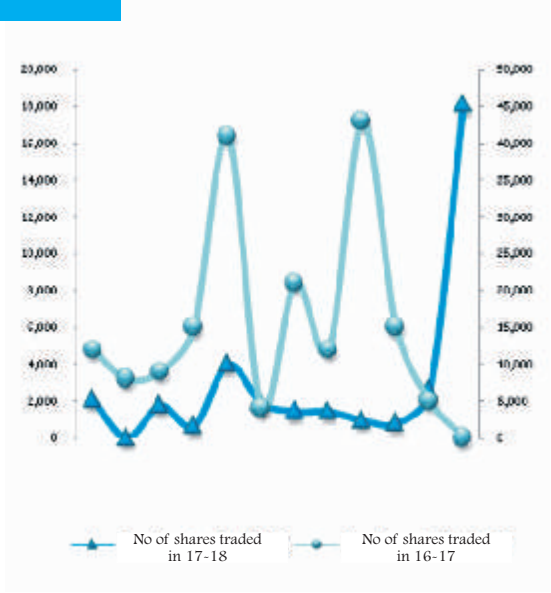
♦ Market Price Data

Market data as available on NSE(India) Limited website https://www.nseindia.com/emergeduring each month of the financial year 2017-18 is given below:

MONTH	HIGH (IN ₹)	LOW (IN ₹)	NO. OF SHARES TRADED
April 2017	480.00	410.00	5,200
May 2017	480.00	410.00	0
June 2017	458.00	380.00	44,000
July 2017	458.00	455.00	1,600
August 2017	450.00	405.00	10,000
September 2017	485.00	405.00	4,800
October 2017	480.00	390.00	3,600
November 2017	747.00	560.00	3,600
December 2017	816.00	615.00	2,400
January 2018	701.00	500.00	2,000
February 2018	698.75	498.00	6,400
March 2018	564.60	475.00	45,200

Market Price Data

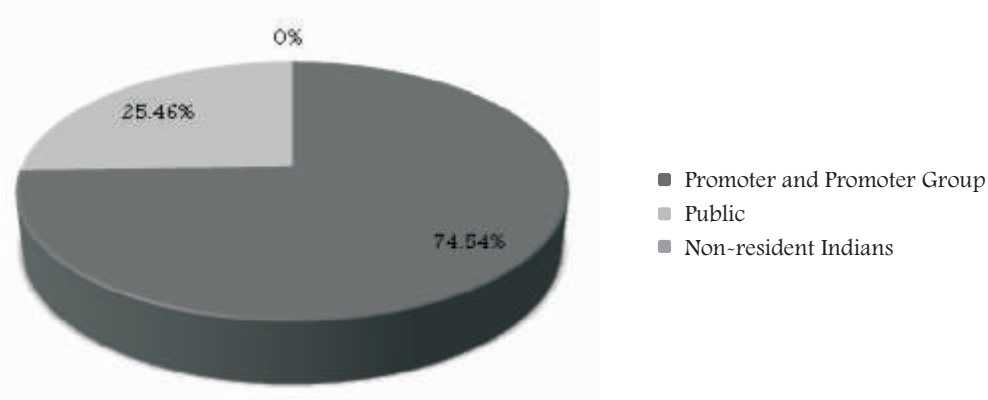




♦ Shareholding Pattern as on 31st March 2018

Categories		No. Of shares held	Percentage of total (%)
A.	Promoter and Promoter Group	1325800	74.54
	Person related to Director	0	0
B.	Public	452750	25.46
	Non-Institutional (Individual)	0	0
	Corporate Bodies	189600	10.66
	Clearing members	8000	0.45
C.	Non-resident Indians	0	0.00
	TOTAL (A+B+C)	1778550	100

Shareholding Pattern



Shareholding of nominal		Number of shareholders	Percentage of total	Share amount	Percentage of total
(₹)	(₹)		%	(₹)	%
1	5000	62	54.8673	244500	1.3747
5001	10000	10	8.8496	80000	0.4498
10001	20000	13	11.5044	196000	1.1020
20001	30000	8	7.0796	212000	1.1920
30001	40000	1	0.8850	36000	0.2024
40001	50000	2	1.7699	92000	0.5173
50001	100000	6	5.3097	464000	2.6089
100001	9999999999	11	9.7345	16461000	92.5529
TOTAL	113		17785500	100.0000	

♦ Top 10 Shareholders as on March 31, 2018

Sr. No.	Name of shareholder	Category of shareholder	No. Of shares held	% of holding
1.	Ajayprakash Kanoria (HUF)	Promoter	770360	43.3139
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	166800	9.3784
5.	Ajayprakash Kanoria	Promoter	102375	5.7561
6.	Brajkishore Agrawal	Public	51200	2.8787
7.	Naginadevi Agrawal	Public	41200	2.3165
8.	Shashibhushan O. Agrawal	Public	28400	1.5968
9.	Nikhil S. Agrawal	Public	22400	1.2595
10.	Priya Viniyog Pvt. Ltd.	Corporate Bodies	13200	0.7422

♦ Shares held in dematerialized form as on March 31, 2018

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	1474150	82.88
Held in Dematerialised form in CDSL	304400	17.12
Physical	00	0.00
Total No. of shares	1778550	100.00

♦ Legends used in the report:

CMD- Chairman & Managing Director, WTD- Whole-time Director, NEID- Non-Executive Independent Director

For EMKAY TAPS AND CUTTING TOOLS LIMITED

Nagpur, Saturday August 18, 2018

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.

Nagpur, Saturday August 18, 2018

For H. ROSHAN & ASSOCIATES
Company Secretaries

ROSHAN HARDE
(PARTNER)
Mem. No. 34630-
CP. 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.

Nagpur, Saturday August 18, 2018

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.

Nagpur, Saturday August 18, 2018

For Emkay Taps and Cutting Tools Limited

Ajayprakash Kanoria
Chairman & Managing Director

Vishnu Sontakke
Chief Financial Officer

Management Discussion and Analysis Report

Our organizational functioning - Manufacturing – Cutting Tools (Metal cutting machine tools) - catering to the needs of automobile industry and also electrical fittings industry.

Preface

Cutting Tools Industry plays a major role in production of automobiles, which includes 2 wheelers, 4 wheelers & heavy commercial vehicles. Apart from automobiles, there are many ancillaries to supply to these auto companies and also expanding their capacities for exports.

Automobile industry has been seeing a very good growth during the last few years and it is presumed that going forward this tempo of growth will be maintained in the coming year

Our Future Prospective

Growth will depend on various factors which are summarized hereunder:

Segregating positive Factors

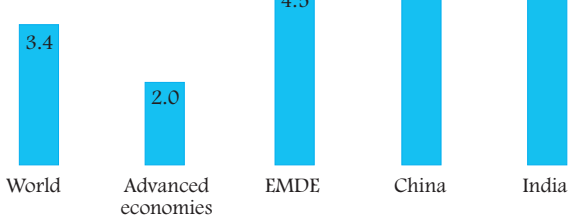
♦ Global Economic Overview

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The preliminary outcome for global growth in 2017 was 0.2 percentage point stronger than forecast in the October 2017 World Economic Outlook (WEO), with upside surprises in the second half of 2017 in advanced as well as emerging market and developing economies.

Resurgent investment spending in advanced economies and an end to the investment decline in some commodity exporting emerging market and developing economies were important drivers of the uptick in global GDP growth and manufacturing activity.

Among advanced economies, large exporters, such as Germany, Japan, the United Kingdom, and the United States, contributed strongly to the recovery in exports, while the recovery in imports was broad based, except in the United Kingdom. Among emerging market and developing economies, as shown in the rebound in export growth was particularly strong in emerging Asia, especially China.

The forecast for 2018 and 2019 is stronger than in the October 2017 WEO by 0.2 percentage points for each year, with positive revisions compared with the October 2017 WEO for emerging market and developing economies and especially for advanced economies. The global effects of US fiscal policy changes account for almost half of the global growth upgrade for 2018–19 compared with October.



♦ Growth Outlook—Emerging Market and Developing Economies

Growth in emerging market and developing economies is expected to increase further—from 4.8 percent in 2017 to 4.9 percent in 2018 and 5.1 percent in 2019. Although the high growth rate reflects primarily continued strong economic performance in emerging Asia, the projected pickup in growth reflects improved prospects for commodity exporters after three years of very weak economic activity.

This reflects some modest further strengthening in economic growth in commodity exporters, though to rates much more modest than over the past two decades; a steady decline in China's growth rate to a level that is still well above the emerging market and developing economy average; a gradual increase in India's growth rate as structural reforms raise potential output; and continued strong growth in other commodity importers.

Growth in India is projected to increase from 6.7 percent in 2017 to 7.4 percent in 2018 and 7.8 percent in 2019 (unchanged from the October WEO), lifted by strong private consumption as well as fading transitory effects of the currency exchange initiative and implementation of the national goods and services tax. Over the medium term, growth is expected to gradually rise with continued implementation of structural reforms that raise productivity and incentivize private investment.

Source: https://www.imf.org/~/media/Files/Publications/WEO/2018/April/c1.ashx

♦ GDP: Global and Domestic scenario - An overview

Growth in the South Asia region is forecast to accelerate to 6.9 percent in 2018 from an estimated 6.5 percent in 2017. Consumption is expected to stay strong, exports are anticipated to recover, and investment is on track to revive as a result of policy reforms and infrastructure upgrades. Setbacks to reform efforts, natural disasters, or an upswing in global financial volatility could slow growth. India is expected to pick up to a 7.3 percent rate in fiscal year 2018/19, which begins April 1, from 6.7 percent in FY 2017/18.

Source: https://www.worldbank.org/en/news/press-release/2018/01/09/global-economy-to-edge-up-to-3-1-percent-in-2018-but-future-potential-growth-a-concern.

With Gross Domestic Product (GDP) growth averaging 7.5 per cent between 2014- 15 and 2016-17, India can be rated as among the best performing economies in the world on this parameter. Although growth is expected to decline to 6.5 per cent in 2017-18, bringing the 4-year average to 7.3 per cent, the broad story of India's GDP growth to be significantly higher than most economies of the world does not alter. The growth is around 4 percentage points higher than global growth average of last 3 years and nearly 3 percentage points more than the average growth achieved by emerging market & developing economies.

The Indian auto-components market contributes almost seven per cent to India's GDP and employs as many as 19 million people. The auto components sector has been observing robust growth, and turnover is anticipated to reach US$ 200 billion by FY26 from US$ 43.5 billion in FY17. Turnover of auto-components industry is expected to grow to US$ 47-49 billion in FY18. India's exports of auto components could account for as much as 26 per cent of the market by 2021. Auto-component production in 2018-19 is expected to increase 12-14 per cent in FY19, on the back of robust growth in domestic and export markets. With such robust growth in GDP, Auto sales are expected to grow as compared to last year.

♦ Indian Economic Overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

MARKET SIZE

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017 and February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

ROAD AHEAD

India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

Source: https://www.ibef.org/economy/indian-economy-overview

♦ Stability of Government at Centre

It is necessary that in the coming election, we get a stable government at the Centre so that business policies and other activities continue with the same momentum as prevailing now.

The crucial initiatives undertaken by the Government like promoting cash-less economy through digitalization, relaxing FDI norms, making business scenario more facilitative, fast-tracking projects, enhancing focus on infrastructure sector, and implementation of Goods and Services Tax are all expected to improve the country's competitiveness.

Adverse Factors

♦ Crude Oil Prices

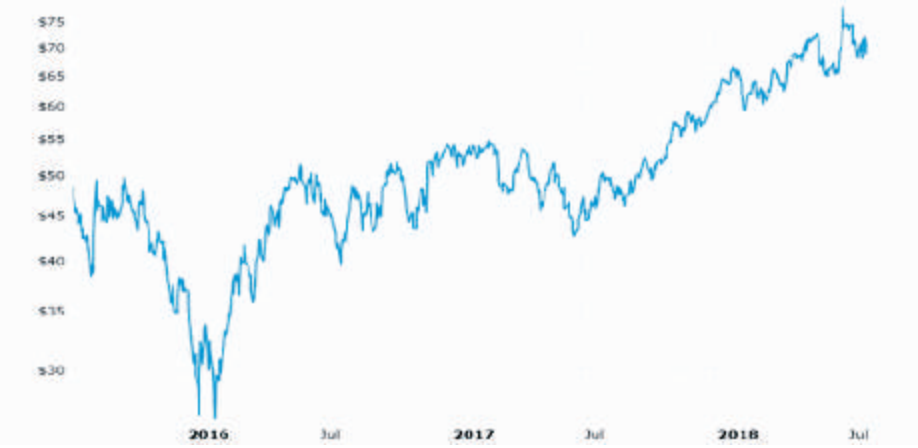
Crude Oil prices have been increasing steadily during the past one year. It is necessary that crude oil prices do not escalate further because Indian economy depends mainly on imported crude. Balance of payment situation in India gets disturbed whenever crude oil breach the 100$ mark.

With a few exceptions, there was a nearly constant increase in the price for one barrel of Brent Crude oil in the last fifteen years. For example, the average price per barrel stood at nearly 25 U.S. dollars in 2002. Until 2012, this price increased to almost 112 U.S. dollars. In 2010, however, the price fell under the mark of 100 U.S. dollars. The price in 2014 saw a rapid decrease, with monthly crude oil prices falling under 65 U.S. dollars per barrel, then fell even further to a recent low of 32.18 U.S. dollars per barrel in February 2016. Since then, prices have increased gradually.

Source: www.statista.com/statistics/262861/uk-brent-crude-oil-monthly-price-development/

Interactive chart showing the daily closing price for West Texas Intermediate (NYMEX) Crude Oil over the last 10 years.

The prices shown are in U.S. dollars. The current price of WTI crude oil as of July 30, 2018 is $71.19 per barrel.



Data source:"www.macrotrends.net"

Crude Oil Prices will affect the Indian Economy to some extent. However Consumer spending on Automobiles would not be affected till the crude oil price does not touch the benchmark of $ 100 barrel.

♦ Interest Rates

Because of inflation and crude oil prices, Reserve Bank of India has started increasing rates and such increases normally reflect on the cost of borrowing for purchase of houses, automobiles, etc., which will affect automobile sales to some extent.

♦ Domestic Sales

Since our industry is mainly dependent on automobile and auto ancillary industries, our growth is consequently linked to the future of these industries which is bright as of now. Detailed outlook of automobile industry and Auto component industry forms part of this report under "Outlook of Industry".

Outlook of Industry

In spite of the above factors, which may affect the overall economy, we are confident that the automobile industry in India will continue to do well and will have a sustained performance at a minimum growth rate of 12% per annum.

Detailed outlook of automobile production trends and also automobile sales potential hereunder:

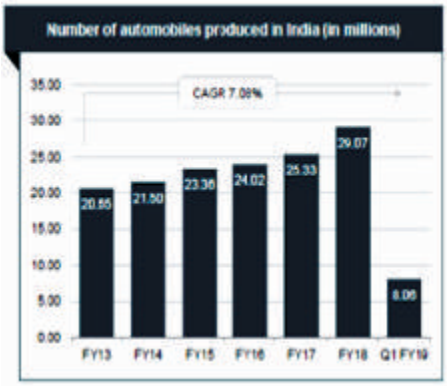
♦ Automobile Industry

The Indian auto industry became the 4th largest in the world with sales increasing 9.5 per cent year-on-year to 4.02 million units (excluding two wheelers) in 2017. It was the 7th largest manufacturer of commercial vehicles in 2017. Source: https://www.ibef.org/industry/india-automobiles.aspx

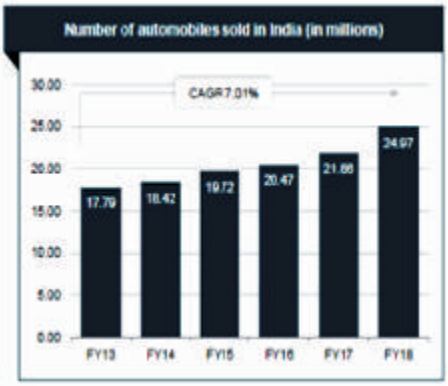
The Two Wheelers segment dominates the market in terms of volume owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector.

India is also a prominent auto exporter and has strong export growth expectations for the near future. Overall automobile exports from India grew at 6.86 per cent CAGR between FY13-18. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the two-wheeler and four-wheeler market in the world by 2020.

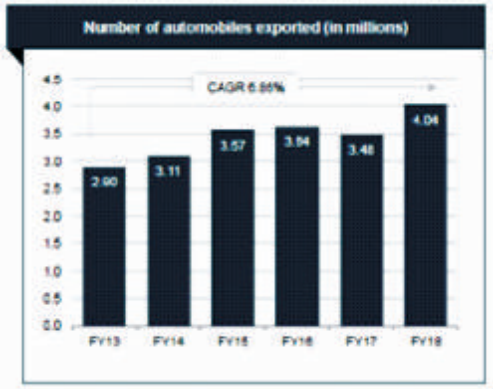
♦ MARKET OVERVIEW



Number of automobiles produced in India (in millions)



Number of automobiles sold in India (in millions)



Number of automobiles exported (in millions)

♦ ADVANTAGE INDIA

- Strong growth in demand due to rising income, middle class and young population.
- Indian automotive industry targeting to increase exports of vehicles five times in 2016-26.
- Domestic automobiles sales increased at 7.01 percent CAGR between F.Y. 13-18.

Growing demand in Automotive Industry

Opportunities in Auto component Industry

- Because of cost advantage India is becoming Hub for Auto Components.
- Quality of Auto Component manufacturing in India is good, Foreign Buyers are more inclined in this segment and during the coming years is expected at CAGR of 10%.

Rising Investments

- India has significant cost advantages; auto firms save 10-25 % on operations vis-a vis Europe and Latin America.
- Cumulative FDI inflow of around US $ 18.76 billion in automobiles sector during April 2000 - March 2018.

Policy Support

- Automotive Mission Plan: 2016-26 shows clear vision of government.
- The Government aims to develop India as a global Manufacturing centre.
- Reforms like GST to help boost the sector's growth.
- Induction centre to be set up for startups working in electric vehicles space.

♦ Auto Component Market

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. The auto-component industry of India has expanded by 14.3 per cent because of strong growth in the after-market sales to reach at a level of Rs 2.92 lakh crore (US$ 43.55 billion) in FY 2016-17. The industry is further expected to grow to US$ 47-49 billion in FY18.

The auto-components industry accounts for 2.3 per cent of India's Gross Domestic Product (GDP) and employs as many as 1.5 million people directly and indirectly each. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favorable destination for investment.

- Revenues have risen from US$ 26.5 billion in FY08 to US$ 43.5 billion in FY17 at a CAGR of 5.66 per cent during FY08-17.
- The market size for auto component sector increased by 11.5 per cent reaching to US$ 43.5 billion in FY17 from US$ 39 billion in FY16.
- As per Automobile Component Manufacturers Association (ACMA) forecasts, automobile component exports from India are expected to reach US$ 70-billion by 2026 from US$ 10.9 billion in FY17. The Indian auto component industry aims to achieve US$ 200 billion in revenues by 2026.
- The industry is expected to post a 13-15 per cent growth rate in FY18, on the back of robust growth in domestic passenger vehicle, commercial vehicle, tractor and two-wheeler segments.^

Outlook for the Company

Your Company is taking initiatives to reduce cost of production by introducing more and more automation. Advanced inspection equipment has also been added which will consistently enhance quality of our products. Also there have been continous efforts from our Production team for increasing our product range and inventories so that we shall be in a better position to serve the customers.

The Company is regularly trying to get customers for export business. Currently we are exporting intermittently to a few customers in Germany, Thailand, Saudi Arabia, South Africa & UAE. However, because of severe competition from China, we are unable to get any major accomplishments in exports.

Nevertheless, the Company is now more focused on getting customers who are looking for application taps with special geometries, where the prices are good. Towards this objective, the Company participated in EMO exhibition held in Hannover, Germany, in September 2017. We hope that going forward with the enormous advantage India is enjoying at the moment, we will be in a better position to get major breakthroughs globally.

Since major part of Cutting Tools produced by the Company goes into Automobile industry and Auto Component manufacturing, we expect that in coming year the growth will be robust.

With the steady growth your Company will get benefit of economies of scale therefore by reducing cost of manufacturing. Your Company is also increasing customer base and also adding new products and improving levels of finished goods inventory to provide better services to our existing customers.

Opportunities and Threats

The growth of global OEM sourcing from India and the increased indigenization of global OEM's is turning the country into a preferable designing and manufacturing base. India is expected to become the fourth largest automobiles producer globally by 2020 after China, US and Japan. Growing working population, rapid urbanization, boost in rural economy and rising middle class income are expected to remain key demand drivers. Relative to competitors, India is geographically closer to key automotive markets like the Middle East and Europe. Competition among industry players is intense as government has already deregulated the sector. Increasing number of foreign firms, are increasing their presence and many more are planning to enter this high potential market. Cheaper imports of components from China are increasing. The threat is medium, given the concentration of Industry clusters in specific strategic centers. However, now the Automobile industry wants proper services at local levels and materials are required just in time. We therefore have to keep specific inventories for different customers and have to supply to them immediately on the same day when we get the order. Because of superior quality and prompt services we shall be able to overcome threats from imported tools in the years to come.

Risks and Concerns

The Company is exposed to external and internal risks associated with the business. The operations of the Company are directly dependent on the Automotive Industry and the cyclical nature of the industry affects us. General Economic conditions impact the automotive industry and in turn our operations as well. The Company is exposed to strong competitive pressures, both domestic and overseas. Company's established reputation, close customer relationships, ability to provide higher level of engineering design support and relentless drive for improvement gives us a competitive edge. We are also exposed to financial risk from changes in interest rates, foreign exchange rates and commodity prices.

We are fully aware of risks and a systematic risk identification and mitigation framework is in place to ensure that a 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.

Revenue

Gross Revenue from main business operations of ₹ 53.89 crores was recorded in the financial year ended March 31, 2018 as against revenue of ₹ 44.73 crores in the previous year, with a growth of 20.48%.

Profits

The company has earned Profit before depreciation, Interest and Taxes (PBDIT) of ₹ 29.04 crores during the financial year under review over the previous financial year's PBDIT of ₹ 20.83 crores. The profit after tax for the financial Year 2017-18 was ₹ 19.88 crores as against profit after tax of ₹ 11.85 crores for the financial year 2016-17.

Earnings per share (EPS)

The basic and diluted EPS of ₹ 10 paid up share are ₹ 111.82 and ₹ 111.82 respectively for the financial year ended March 31, 2018. The previous year's basic and diluted EPS of ₹ 10 paid up share is ₹66.62 and `66.62 respectively.

Dividend

Your Board of Directors is pleased to recommend final dividend of ₹3.00 per equity share, on 1778550 total outstanding equity shares of ₹10/- each, amounting to ₹ 53, 35,650/- in respect of the financial year 2017-18 as against 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.

Reserves and Surplus

The Reserves and Surplus of the Company as on 31st March 2018 stood at ₹ 102.15 crores as against ₹ 82.68 crores in the previous financial year.

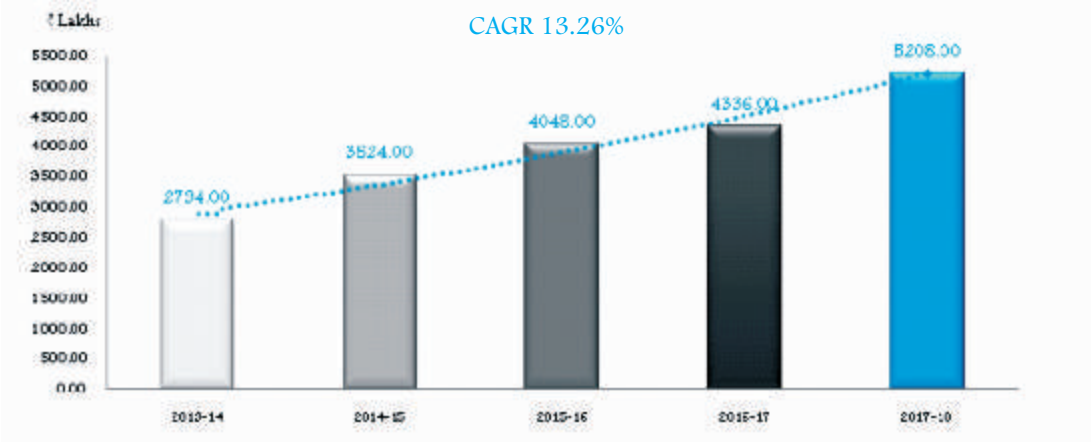
Net worth

During the financial 2017-18 the company has achieved and recorded net worth of ₹ 103.93 crores as against ₹84.45 crores in the previous financial year.

During the bottom line period of the year under review, the Company has seen significant improvement due to changes in product mix and market penetration, the growth in the top line has been bright.

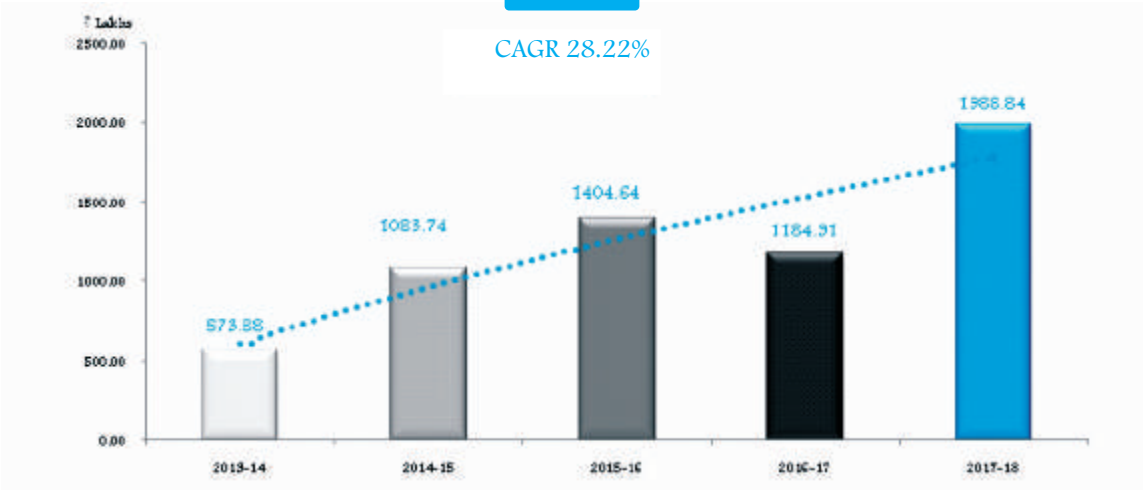
SALES

CAGR 13.26%



PAT

CAGR 28.22%



Segment wise or product wise performance

The company has only two reportable segments viz. Engineering Tools and Power 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.

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.

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 standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of M/s. Emkay Taps and Cutting Tools Limited ("the Company") which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2018, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "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:

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.

a. 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

b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

d. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

e. 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".

f. 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 litigations 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.

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

Place: Nagpur
Date: 29/05/2018

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 31stMarch 2018, we report that:

i. In respect of Fixed Assets:

   a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

   b) As per the policy of the Company physical verification of fixed assets is done, covering all the fixed assets, over a period of three years. In our opinion, having regard to the size of the Company and the nature of its operations, the frequency of verification is reasonable.

ii. 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.

iii. 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.

iv. 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.

v. 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 there under, where applicable, have been complied with by the Company.

vi. The company has not defaulted in repayment of any dues to a financial institution or bank or debenture holders.

vii. 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.

viii. In respect of statutory dues:

   a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. There are no undisputed amounts payables in respect of the aforesaid dues as on 31stMarch 2018 for a period more than six months from the date of becoming payable.

   b) The Company has certain disputed statutory dues pending to be deposited as on 31st March 2018 in respect of provident fund, employee's 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 :

Particulars	Year	Amount (in ₹)	Forum
Service Tax	2015-18 (Oct 2015 to June 2017)	Rs. 515788/-	Appeals

ix. 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.

x. 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.

xi. 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.

xii. 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.

v. 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.

vi. 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 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.

vii. 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.

Place: Nagpur
Date: 29/05/2018

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

Vijay Agrawal
Partner
Membership No. 03186

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, 2018 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 judgment, 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 hat, 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 n accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2018, 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.

Place: Nagpur
Date: 29/05/2018

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

Vijay Agrawal
Partner
Membership No. 03186

Balance Sheet as on 31st March 2018

PARTICULARS	Note. No.	Figures as at the end of 31st March 2018	Figures as at the end of 31st March 2017
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	4	17,785,500.00	17,785,500.00
(b) Reserves And Surplus	5	1,021,481,374.41	826,759,618.26
(2) Share Application Money Pending Allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	6	6,958,477.00	18,226,309.00
(b) Deferred Tax Liabilities (Net)	7	15,177,675.00	18,176,514.00
(4) Current Liabilities			
(a) Short-Term Borrowings	8	35,773,679.47	32,821,814.84
(b) Trade Payables	9	42,697,256.96	22,954,651.61
(c) Other Current Liabilities	10	36,490,603.72	25,247,344.79
(d) Short-Term Provisions	11	2,109,904.00	10,414,984.00
Total :		1,178,474,470.56	972,386,736.50
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	169,887,468.81	181,525,459.95
(ii) Intangible assets			
(iii) Capital work-in-progress		-	5,296,386.85
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	13	707,982,185.90	485,527,936.26
(c) Deferred tax assets (net)			
(d) Long term loans and advances	14	1,460,944.00	2,720,858.00
(e) Other non-current assets	15	1,302,100.00	1,953,149.00
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	122,596,003.35	130,330,745.84
(c) Trade Receivables	17	151,305,811.15	133,249,361.36
(d) Cash And Cash Equivalents	18	11,961,052.68	9,610,162.93
(e) Short-Term Loans And Advances	19	5,466,702.64	11,002,213.23
(f) Other Current Assets	20	6,512,202.03	11,170,463.08
Total :		1,178,474,470.56	972,386,736.50
Cash Flow Statement		Note 1	
Significant Accounting Policies		Note 2 & 3	
Notes forming Part of Balance Sheet		Note 1 to 45	

For Emkay Taps And Cutting Tools Ltd.

Ajayprakash Kanoria
Chairman & Managing Director
DIN No : 00041279

Mrs. Alka Kanoria
Whole time Director
DIN No : 00041346

As Per My Report of Even Date Attached
For M/s Vijay Agrawal & Company
Chartered Accountant
FRN 138350W

Shruti Sohane
Company Secretary

V.K Sontakke
Chief Finance Officer

Vijay Agrawal
Partner
Mem. No. 031863

Place : Nagpur
Dated : 29/05/2018

Profit and Loss Account for the Year Ended 31st March 2018

PARTICULARS	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I. Revenue From Operations	21	538,868,302.91	447,303,492.89
II. Other Income	22	62,070,426.04	21,265,012.25
III. Total Revenue		600,938,728.95	468,568,505.14
IV Expenses			
(a) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(6,453,893.66)	(7,627,393.45)
(b) Cost of Raw Material Consumed	24	80,531,083.11	65,108,978.09
(c) Cost of Stores Consumed	25	20,358,975.28	17,637,228.87
(d) Cost of Packing Material Consumed	26	3,841,258.50	2,740,204.79
(e) Cost of Trading Goods Consumed	27	23,611.44	-
(f) Manufacturing Expenses	28	129,305,232.46	112,905,997.31
(g) Windmill Expenses	29	3,606,957.53	3,345,074.00
(h) Shares Expenses	30	634,981.11	267,144.14
(i) Employee Benefit Expenses	31	37,208,553.64	31,318,149.11
(j) Administration Expenses	32	30,687,997.18	24,982,758.90
(k) Selling & Distribution Expenses	33	10,787,662.60	9,553,809.15
(l) Finance Costs	34	4,063,497.37	3,351,722.55
(m) Depreciation And Amortization Expenses	35	31,643,043.24	28,387,012.58
Total Expenses :		346,238,959.80	291,970,686.04
V. Profit Before Exceptional And Extraordinary Items And Tax	[III - IV]	254,699,769.15	176,597,819.10
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items And Tax	[V - VI]	254,699,769.15	176,597,819.10
VIII. Extraordinary Items		-	-
IX. Profit Before Tax	[VII - VIII]	254,699,769.15	176,597,819.10
X. Tax Expenses :			
(a) Income Tax	36	58,814,122.00	59,254,581.00
(b) Deferred Tax		(2,998,839.00)	(1,147,920.00)
XI. Profit / (Loss) From The Period From Continuing Operations	[IX - X]	198,884,486.15	118,491,158.10
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]	198,884,486.15	118,491,158.10
XVI Earning per equity share :	37		
(1) Basic		111.82	66.62
(2) Diluted		111.82	66.62

For Emkay Taps And Cutting Tools Ltd.

Ajayprakash Kanoria
Chairman & Managing Director
DIN No : 00041279

Mrs. Alka Kanoria
Whole time Director
DIN No : 00041346

As Per My Report of Even Date Attached
For M/s Vijay Agrawal & Company
Chartered Accountant
FRN 138350W

Shruti Sohane
Company Secretary

V.K Sontakke
Chief Finance Officer

Vijay Agrawal
Partner
Mem. No. 031863

Place : Nagpur
Dated : 29/05/2018

Note 1

Emkay Taps And Cutting Tools Ltd.

Statement of Cash Flow

Particulars	For the year ended	
	31.03.2018	31.03.2017
Cash Flow From Operating Activities:		
Profit before tax	254,699,769.15	176,597,819.10
Adjustment for:		
Depreciation & Amortisation Expenses	31,643,043.24	28,387,012.58
Interest Paid	4,063,497.37	3,351,722.55
Interest Received / Other Non Operative Receipt (Dividend Received)	(62,070,426.04)	(21,265,012.25)
Operating Profit before Working Capital Changes	228,335,883.72	187,071,541.98
Movement in working capital		
Decrease / (Increase) in inventories	7,734,742.49	(5,900,999.23)
Decrease / (Increase) in trade receivable	(18,056,449.79)	(22,944,318.54)
Decrease / (Increase) in short term loans & advances	5,535,510.59	1,378,694.83
Decrease / (Increase) in other current assets	4,658,261.05	(292,901.12)
Increase / (Decrease) in trade payable	19,742,605.35	4,598,367.04
Increase / (Decrease) in other current liabilities	11,243,258.93	3,832,242.96
Increase / (Decrease) in short term provisions	513,521.00	265,460.00
Cash Generated from Operation	259,707,333.34	168,008,087.92
Taxes Paid (Net of Refunds)	(67,632,723.00)	(51,051,385.00)
Net Cash from Operating Activities	192,074,610.34	116,956,702.92
Cash Flow Used In Investing Activities:		
Fixed Asset Purchased (Net)	(14,057,616.25)	(50,670,298.37)
Interest Received / Other Non Operative Receipt (Including Last Year Interest)	62,188,939.04	23,739,012.25
Adjustment for:		
Long Term Loan & Advances	1,259,914.00	53,615.00
Non Current Investments	(222,454,249.64)	(122,013,242.16)
Other Non Current Assets	-	-
Acquisition / Subscription / Investment in Subsidiaries / Associates		
Advances to parties		
Net Cash flow used in Investing Activities	(173,063,012.85)	(148,890,913.28)
Cash Flow From Financing Activities:		
Payment on Buy Back of Share Capital	-	-
Proceeds from Short term borrowings	2,951,864.63	10,393,166.26
Proceeds from Long term borrowings	(11,267,832.00)	17,978,404.37
Payment of Dividend and tax on it	(4,281,243.00)	
Interest paid	(4,063,497.37)	(3,351,722.55)
Net Cash flow from Financing Activities	(16,660,707.74)	25,019,848.08
Net Increase / (Decrease) in Cash & Cash Equivalents	2,350,889.75	(6,914,362.28)
Cash & Cash Equivalents at the beginning of the year	9,610,162.93	16,524,525.21
Cash & Cash Equivalents at the end of the year	11,961,052.68	9,610,162.93

Notes:-

1. 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
2. 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 : 00041346

As Per My Report of Even Date Attached
For M/s Vijay Agrawal & Company
Chartered Accountant
FRN 138350W

Shruti Sohane
Company Secretary

V.K Sontakke
Chief Finance Officer

Vijay Agrawal
Partner
Mem. No. 031863

Place : Nagpur
Dated : 29/05/2018

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 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. "

Note	Particulars
3.8	Investment 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.
3.9	Inventory 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 obsorption costing method. The value of Finished Goods includes Excise Duty wherever applicable.
3.10	Employee Benefits The Company makes contribution towards Provident Fund and ESIC to a defined contribution retirement benefit plan for qualifying employees. THe provident plan is operated 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 specefic percentage of pay roll costs in respect of eligible employees to the retirement benefit schemes to the fund benefits. 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. During the Period, the company has recognised Rs. 11,51,279/- for Provident Fund contribution, Rs. 3,15,841/- for ESIC. The Contributions payable to these plans by the Company are at the rates specefied in the rules of the Schemes.
3.11	Cash Flow Statements : 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.
3.12	Impairment of assets 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.
3.13	Segment Reporting 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. Segment A : Manufacturing of Taps & Cutting Tools Segment B : Production of Power through Windmill
3.14	Provisions and contingencies 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 2018.

Note Forming Part of Balance Sheet as on 31st March, 2018

PARTICULARS		Figures as at the end of 31st March 2018		Figures as at the end of 31st March 2017
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 31st March 2018		Year Ended 31st March 2017	
	No. of Share	In Rs.	No. of Share	In Rs.
Number of shares at the beginning of the year	1778550.00	17,785,500.00	1778550.00	17,785,500.00
Add : Alloted 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	1778550.00	17,785,500.00	1778550.00	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 prefential 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/Ulitimate 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 31st March 2018		Year Ended 31st March 2017	
		No. of Share	% Holding	No. of Share	% Holding
1.	Ajayprakash Kanoria (HUF)	770360	43.31%	768760	43.22%
2.	Alka Ajayprakash Kanoria	187365	10.53%	187365	10.53%
3.	Nagpur Tools Pvt. Ltd.	265200	14.91%	265200	14.91%
4.	Ajayprakash Kanoria	102375	5.76%	96375	5.42%
5.	Sudarshan Trading & Manufacturing Pvt. Ltd.	166800	9.38%	116400	6.54%

Note 5

RESERVE AND SURPLUS :

Particulars		Figures as on the end of 31st March 2018		Figures as on the end of 31st March 2017
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	11,721,030.00		9,247,030.00	
Add : Addition during the year	-	11,721,030.00	2,474,000.00	11,721,030.00
Profit & Loss Account				
Balance as per last Balance Sheet	769,051,908.26		650,560,750.16	
Add : Profit During the year	198,884,486.15		118,491,158.10	
Add : Last Year Short Provision of Interest Received	118,513.00		-	
Less : Dividend Paid	3,557,100.00		-	
Less : Tax on Dividend	724,143.00	963,773,664.41		769,051,908.26
Total :		1,021,481,374.41		826,759,618.26

Note 6

LONG TERM BORROWINGS :

Secured Loans					
a)	ICICI Bank Term Loan	6,817,712.00	6,817,712.00	18,085,544.00	18,085,544.00
	(Secured against Equitable mortgage of Building and Plant & Machinery)				
Unsecured Loans					
	From Banks -		-		
	From Others	140,765.00	140,765.00	140,765.00	140,765.00
	Total :		6,958,477.00		18,226,309.00

Note 7

DEFERRED TAX LIABILITIES

Liabilities arising out of Fixed Assets				
Balance as per Last Balance Sheet	18,176,514.00		19,324,434.00	
Asset Created During the Year	2,998,839.00	15,177,675.00	1,147,920.00	18,176,514.00
Total :		15,177,675.00		18,176,514.00

Note 8

SHORT TERM BORROWINGS :

ICICI Bank Ltd :	16,290,167.47		18,351,169.21	
Cash Credit Account No. : 624251000017 (Secured Against Hypothecation of Entire Current Assets including Inventory, book debts & Receivable)				
ICICI Bank Ltd :	19,483,512.00		14,362,032.00	
Current Maturity of Long Term Loan due within 12 months (Secured against Equitable mortgage of Building and Plant & Machinery)				
Daimler Financial Services (I) Pvt. Ltd.	-	35,773,679.47	108,613.63	32,821,814.84
(Current Maturity of Long Term Loan due within 12 months)				
Total :		35,773,679.47		32,821,814.84

Note 9

TRADE PAYABLES :

Due to :				
Micro and Small Enterprises	-		-	
Other Payables	32,668,338.96		12,365,513.61	
Related Party	10,028,918.00	42,697,256.96	10,589,138.00	22,954,651.61
Total :		42,697,256.96		22,954,651.61

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 2018. 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	3,772,907.13		596,552.05	
Liability For Expenses	20,893,356.44		15,897,649.74	
Statutory Liabilities	9,357,638.02		6,076,160.00	
Other Credit Balances	2,466,702.13	36,490,603.72	2,676,983.00	25,247,344.79
Total :		36,490,603.72		25,247,344.79

Note 11

SHORT TERM PROVISIONS :

For Employee Benefits	1,835,553.00		1,436,454.00	
For Others	274,351.00	2,109,904.00	8,978,530.00	10,414,984.00
Total :		2,109,904.00		10,414,984.00

Note 12
FIXED ASSES (TANGIBLE)

PARTICULARS	RATE OF DEP.	GROSS BLOCK			DEPRECIATION					NET BLOCK	
		BALANCE AS ON 01-04-2017	ADDITION DURING THE YEAR	SALE/ TRANSFER DURING THE YEAR	BALANCE AS ON 31-03-2018	BALANCE AS ON 01-04-2017	DEPRECIATION DURING THE YEAR	DEPRECIATION REVERSED	BALANCE AS ON 31-03-2018	BALANCE AS ON 31-03-2018	BALANCE AS ON 31-03-2017
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	6,518,552.25	-	16,472,997.34	7,519,547.94	489,199.87	-	8,008,747.81	8,464,249.53	2,434,897.15
Building No. 2	9.50%	3,833,547.56	-	-	3,833,547.56	2,332,161.28	142,631.70	-	2,474,792.98	1,358,754.58	1,501,386.28
Furniture & Fixture	25.89%	1,667,022.50	318,551.10	-	1,985,573.60	1,550,428.15	50,489.12	-	1,600,917.27	384,656.33	116,594.35
Mobile Phone	63.16%	535,901.08	-	-	535,901.08	416,632.05	63,693.57	-	480,325.62	55,575.46	119,269.03
Office Equipments	45.07%	1,861,841.47	-	-	1,861,841.47	1,637,526.06	73,671.12	-	1,711,197.18	150,644.29	224,315.41
Plant & Machinery	18.10%	222,287,918.32	9,938,122.76	-	232,226,041.08	107,351,757.70	22,038,149.12	-	129,389,906.82	102,836,134.26	114,936,160.62
Generator	18.10%	897,150.00	-	-	897,150.00	851,465.58	826.92	-	852,292.50	44,857.50	45,684.42
Compressors	18.10%	1,440,864.41	-	-	1,440,864.41	967,086.41	83,291.86	-	1,050,378.27	390,486.14	473,778.00
Transformers	18.10%	51,000.00	193,000.00	-	244,000.00	48,450.00	5,263.88	-	53,713.88	190,286.12	2,550.00
Transport Trolleys	18.10%	61,830.00	-	-	61,830.00	12,243.02	8,975.24	-	21,218.26	40,611.74	49,586.98
Air Conditioners	18.10%	1,635,369.47	114,868.16	-	1,750,237.63	1,236,344.39	83,317.59	-	1,319,661.98	430,575.65	399,025.08
Computers	63.16%	4,298,997.59	409,325.08	-	4,708,322.67	3,981,294.92	221,937.49	-	4,203,232.41	505,090.26	317,702.67
Computer Software	63.16%	600,236.96	-	-	600,236.96	565,477.68	3,321.76	-	568,799.44	31,437.52	34,759.28
Inspection Equipments	18.10%	3,300,201.24	10,450.00	-	3,310,651.24	1,813,728.69	269,211.24	-	2,082,939.93	1,227,711.31	1,486,472.55
Electricals Installations	25.89%	1,540,286.97	-	-	1,540,286.97	1,438,516.36	10,035.65	-	1,448,552.01	91,734.96	101,770.61
Fax Machine	18.10%	108,046.00	-	-	108,046.00	102,164.28	304.89	-	102,469.17	5,576.83	5,881.72
Pollution Control Equipment	18.10%	853,106.34	-	-	853,106.34	744,104.63	19,729.31	-	763,833.94	89,272.40	109,001.71
Motor Car	31.23%	9,167,982.00	1,974,924.12	591,959.00	10,550,947.12	6,799,400.00	1,053,014.38	468,168.63	7,384,245.75	3,166,701.37	2,368,582.00
Motor Cycle	25.89%	197,745.00	-	-	197,745.00	104,234.69	24,209.82	-	128,444.51	69,300.49	93,510.31
TOTAL (A) :		266,410,202.00	19,477,793.47	591,959.00	285,296,036.47	139,472,563.83	24,641,274.53	468,168.63	163,645,669.73	121,650,366.74	126,937,638.17
WIND MILL DIVISION :											
Wind Mill [Mysore]	12.73%	61,290,546.00	-	-	61,290,546.00	43,313,229.02	2,288,512.45	-	45,601,741.47	15,688,804.53	17,977,316.98
Wind Mill 2 [Rajasthan]	12.73%	82,800,000.00	-	-	82,800,000.00	50,889,495.20	4,062,207.26	-	54,951,702.46	27,848,297.54	31,910,504.80
Lease Hold Land	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	94,202,724.22	6,350,719.71	-	100,553,443.93	48,237,102.07	54,587,821.78
TOTAL (A+B) :		415,200,748.00	19,477,793.47	591,959.00	434,086,582.47	233,675,288.05	30,991,994.24	468,168.63	264,199,113.66	169,887,468.81	181,525,459.95
PREVIOUS YEAR :		371,698,993.57	46,015,476.08	2,513,721.65	415,200,748.00	207,811,481.56	27,735,963.58	1,872,157.09	233,675,288.05	181,525,459.95	163,887,512.01

Note 13

NON-CURRENT INVESTMENTS :

a)	In Mutual Funds	192,269,994.74		182,239,819.53	
b)	In Quoted Equity Shares	507,904,498.16		297,492,333.73	
c)	In Unquoted Equity Shares	979,205.00		979,205.00	
d)	In Fixed Deposit Receipts	6,828,488.00	707,982,185.90	4,816,578.00	485,527,936.26
	Total :		707,982,185.90		485,527,936.26

Note : No dimunition 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)	22,000.00		12,000.00	
b)	Security Deposits	1,438,944.00		2,708,858.00	
c)	Other Loans & Advances	-	1,460,944.00	-	2,720,858.00
	TOTAL :		1,460,944.00		2,720,858.00

Note - 15

OTHER NON CURRENT ASSETS

(Miscellaneous Expenses to the extent not written off)

a)	Listing Expenses	1,302,100.00		1,953,149.00	
	TOTAL :		1,302,100.00		1,953,149.00

Note - 16

INVENTORIES :

(Valued at Lower of Cost or Realisable Value as Certified by the Management)

	Raw Material	39,075,493.00		52,163,067.82	
	Consumable Stores	2,885,193.55		4,001,674.60	
	Work In Progress	6,402,566.96		6,195,001.44	
	Finished Goods	73,814,130.12		66,668,196.98	
	Trading Goods	15,419.72		-	
	Scrap Material (At Estimated Realisable Value)	403,200.00	122,596,003.35	1,302,805.00	130,330,745.84
	TOTAL :		122,596,003.35		130,330,745.84

Note 17

TRADE RECEIVABLES :

Outstanding for more than 6 months					
a)	Secured & Considered Good	-		-	
b)	Unsecured & Considered Good	6,787,104.66		14,540,284.21	
c)	Considered Doubtful	-	6,787,104.66	-	14,540,284.21
Others					
a)	Secured & Considered Good	-		-	
b)	Unsecured & Considered Good	144,518,706.49		118,709,077.15	
c)	Considered Doubtful	-	144,518,706.49	-	118,709,077.15
	TOTAL :		151,305,811.15		133,249,361.36

Note 18

CASH AND CASH EQUIVALENTS :

Cash in Hand (As certified by the Management)	245,128.92		222,804.92	
Balances with Bank	11,715,923.76	11,961,052.68	9,387,358.01	9,610,162.93
TOTAL :		11,961,052.68		9,610,162.93

Note 19

SHORT TERM LOANS AND ADVANCES :

Advances with the Suppliers	2,638,861.76		9,043,862.11	
Loans & Advances to Staff	1,275,829.00		753,190.00	
Other Advances	1,552,011.88	5,466,702.64	1,205,161.12	11,002,213.23
TOTAL :		5,466,702.64		11,002,213.23

Note 20

OTHER CURRENT ASSETS :

Advances with Revenue Authorities	5,968,732.60		10,910,740.16	
Other Debit Balances	543,469.43	6,512,202.03	259,722.92	11,170,463.08
TOTAL :		6,512,202.03		11,170,463.08

Note 21

REVENUE FROM OPERATIONS :

1.	Domestic Sale				
	Sale of Taps & Tools				
	a) Sales	620,939,602.53		512,680,990.10	
	b) Deemed Export Sales (SEZ)	3,903,770.08		-	
	Total:-	624,843,372.61		512,680,990.10	
	Less : CGST Receipts	14,299,039.40		-	
	: SGST Receipts	14,299,039.40		-	
	: IGST Receipts	47,080,020.69		-	
	: Excise & Education Cess	12,547,504.00		51,196,576.00	
	: VAT Receipts	5,042,634.00		22,532,374.00	
	: CST Receipts	1,598,533.00		6,098,676.00	
	: Discount & Rate Difference	9,994,015.32		4,003,917.01	
	: Sales Return	2,764,287.44	517,218,299.36	2,602,132.01	426,247,315.08
2.	Export Sale				
	a) Sale of Taps & Tools	3,554,753.00	3,554,753.00	7,408,253.81	7,408,253.81

3. Trading Sale				
a) Sale of Taps & Tools	37,854.00		-	
Less : CGST, SGST	5,774.40	32,079.60	-	-
4. Scrap Sale				
a) Scrap Sale	6,002,198.77		20,628.24	
Total:-	6,002,198.77		20628.24	
Less : Excise, Education Cess, VAT, CST & TCS	2904.72		3,338.24	
Less : CGST, SGST & TCS	950,299.10	5,048,994.95	-	17,290.00
5. Scrap Sale (Miscellaneous)				
a) Misc. Scrap Sale	129,384.00		681,591.00	
Total:-	129,384.00		681,591.00	
Less : VAT & TCS	6,635.00		45,796.00	
Less : CGST, SGST & TCS	2,161.00	120,588.00	-	635,795.00
6. Power Generation Unit Sale				
Power Generation Unit Sale	12,923,165.00		13,110,853.00	
Less : Discount	125,777.00	12,797,388.00	116,014.00	12,994,839.00
7. Job Work Receipts		96,200.00		-
TOTAL :		538,868,302.91		447,303,492.89

Note 22

OTHER INCOME :

Dividend Received		6,013,786.41		3,952,638.05
Duty Draw Back Receipts		-		227.00
Exchange Rate Fluctuation		133,370.01		1,219,086.68
F.D.R. Interest Received		316,116.00		165,764.00
Interest Received		110,408.00		936,154.34
Profit on Sale of Machinery		-		764,435.44
Profit on Sale of Motor Car		76,209.63		-
Sales Tax Refund		620,068.00		-
Short Term Capital Gain	6,060,215.98		1,039,121.45	
Less : Short Term Capital Loss	-	6,060,215.98	-	1,039,121.45
Long Term Capital Gain	54,451,232.00		23,080,906.12	
Less : Long Term Capital Loss	5,742,109.20	48,709,122.80	12,943,237.36	10,137,668.76
Short Term Gain on Mutual Fund	31,129.21		282,278.34	
Less : Short Term Loss on Mutual Fund		31,129.21	-	282,278.34
Long Term Gain on Mutual Fund	-		2,767,638.19	
Less : Long Term Loss on Mutual Fund	-	-	-	2,767,638.19
TOTAL :		62,070,426.04		21,265,012.25

Note 23

CHANGES IN INVENTORY :

1. Finished Goods :				
Opening stock	66,668,196.98		59,645,149.50	
Less : Closing stock	73,814,130.12	(7,145,933.14)	66,668,196.98	(7,023,047.48)
2. Work-In-Progress :				
Opening stock	6,195,001.44		6,207,180.47	
Less : Closing stock	6,402,566.96	(207,565.52)	6,195,001.44	12,179.03
3. Scrap Material :				
Opening stock	1,302,805.00		686,280.00	
Less : Closing stock	403,200.00	899,605.00	1,302,805.00	(616,525.00)
TOTAL :		(6,453,893.66)		(7,627,393.45)

Note 24

COST OF RAW MATERIAL CONSUMED :

Opening Stock	52,163,067.82		54,270,744.75	
Add : Purchase of Raw Material	66,186,455.81		63,001,301.16	
Add : Purchase of HSS Taps	1,257,052.48		-	
	119,606,576.11		117,272,045.91	
Less : Closing Stock of Raw Material	39,075,493.00	80,531,083.11	52,163,067.82	65,108,978.09
TOTAL :		80,531,083.11		65,108,978.09

Note 25

COST OF STORES CONSUMED :

Opening Stock	4,001,674.60		3,620,391.89	
Add : Purchase of Consumable Stores	19,242,494.23		18,018,511.58	
Less : Closing stock of Consumable Stores	2,885,193.55	20,358,975.28	4,001,674.60	17,637,228.87
TOTAL :		20,358,975.28		17,637,228.87

Note 26

COST OF PACKING MATERIAL CONSUMED :

Purchases	3,841,258.50		2,740,204.79	
TOTAL :		3,841,258.50		2,740,204.79

Note 27

COST OF TRADING GOODS CONSUMED

Opening Stock	-		-	
Add : Purchase of Trading Goods	39,031.16		-	
Less : Closing stock of Trading Goods	15,419.72	23,611.44	-	-
TOTAL :		23,611.44		-

Note 28

MANUFACTURING EXPENSES :

Building Repairs		2,079,162.11		360,048.35
Electricity Charges		8,134,213.00		9,074,983.11
Freight & Octori		805,870.24		681,755.07
Job Work Expenses		101,443,975.83		89,590,544.03
Repairs and Maintenance		16,612,361.18		12,964,215.02
Testing Expenses		3,376.50		19,625.73
Water Charges		226,273.60		214,826.00
TOTAL :		129,305,232.46		112,905,997.31

Note 29

WINDMILL EXPENSES :

Electrical Inspection Charges		14,660.00		14,660.00
Insurance (Wind Mill)		127,692.00		133,955.00
Repairs & Maintenance		3,464,605.53		3,196,459.00
TOTAL :		3,606,957.53		3,345,074.00

Note 30

SHARES EXPENSES :

Security Transaction Tax		437,418.00		164,864.00
Service Tax on Shares		5,233.91		37,255.28
Stamping Charges		43,749.80		16,176.16
Stock Holding Expenses		40,985.29		42,376.12
Transaction Charges		13,426.94		5,222.12
Share Expenses		3,809.86		952.80
SEBI Tax		692.16		297.66
Swachh Bharat Cess (Shares)		59.92		-
Krishi Kalyan Cess (Shares)		59.92		-
SGST & CGST on Shares		89,545.31		-
TOTAL :		634,981.11		267,144.14

Note 31

EMPLOYEE BENEFIT EXPENSES :

Bonus		2,210,390.00		1,841,625.00
E. S. I. C.		315,841.00		209,620.00
Exgratia		716,077.00		453,584.00
Gratuity		542,483.00		1,023,781.00
Incentive A/c.		3,153,956.00		2,463,374.00
Labour Welfare		779,698.64		771,107.11
Leave with Wages		286,386.00		203,946.00
Medical Expenses		26,994.00		14,356.00
Provident Fund		1,151,279.00		1,090,472.00
Salary and Wages		23,225,449.00		18,446,284.00
Salary To Director		4,800,000.00		4,800,000.00
TOTAL :		37,208,553.64		31,318,149.11

Note 32

ADMINISTRATION EXPENSES :

Profession Tax	5,000.00		5,000.00	
Bank Charges	687,497.22		514,911.83	
Books and Periodicals	13,350.00		8,840.00	
Car Expenses	335,899.52		367,629.88	
Computer Software Expenses	965,966.90		168,300.75	
Conveyance Expenses	1,372,852.08		1,114,990.00	
Consultancy Fees	46,000.00		289,500.00	
CSR Expenses	1,959,000.00		2,591,367.50	
Cenvat / Excise	6,930.87		-	
Director Travelling Expenses	1,797,049.74		2,142,685.62	
Donation	4,900.00		4,600.00	
Insurance	543,047.00		576,823.00	
Interest on Service Tax, VAT & TDS	38,013.00		156,296.00	
Keyman Insurance	2,500,000.00		-	
Krishi Kalyan Cess	106,164.83		284,910.08	
Legal and Professional Expenses	1,227,043.50		1,916,271.50	
Licence Fees	160,683.60		43,073.00	
Membership Fees and Subscription	130,090.00		133,859.00	
Miscellaneous Expenses	-		23,960.00	
Office Expenses	498,839.99		333,146.34	
Postage & Telegram Expenses	125,828.00		79,925.00	
Printing and Stationery	419,618.90		879,002.25	
Rent, Rates and Taxes	487,437.00		322,477.00	
Service Tax	826,456.04		-	
Security Service Charges	644,280.44		338,094.00	
Sundry Balances W/Off	509,175.17		113,558.69	
Swachh Bharat Cess	106,142.71		298,778.57	
Telephone Expenses	829,600.31		960,898.96	
Traveling Expenses	1,200,335.36		1,678,929.20	
Vat Audit Fees	47,000.00		44,000.00	
VAT/CST Expenses	234,815.00	17,829,017.18	666,940.73	16,058,768.90
Payment to Directors				
- For Remuneration	12,734,980.00		8,756,990.00	
- For Sitting Fees	44,000.00	12,778,980.00	72,000.00	8,828,990.00
Payment to Auditors				
- For Audit	80,000.00		80,000.00	
- For Taxation	-		-	
- For Consultancy & Others	-	80,000.00	15,000.00	95,000.00
TOTAL :		30,687,997.18		24,982,758.90

Note 33

SELLING AND DISTRIBUTION EXPENSES :

Advertisement		1,760,970.69		2,082,840.87
Carriage Outward		4,639,168.68		4,165,543.19
Commission on Sales		2,779,428.00		2,297,409.00
Entertainment Expenses		21,851.00		19,200.00
Hospitality Expenses		106,584.57		179,339.20
Sales Promotion		707,088.66		291,510.89
Sales Promotion & Consultancy Charges		772,571.00		517,966.00
TOTAL :		10,787,662.60		9,553,809.15

Note 34

FINANCE COST :

Bank Interest		965,204.00		570,500.00
Interest on Term Loan		3,097,370.00		2,685,688.00
Interest on Car Loan		923.37		80,534.55
Interest		-		15,000.00
TOTAL :		4,063,497.37		3,351,722.55

Note 35

DEPRECIATION & AMORTISATION EXPENSES :

Depreciation for the Year		30,991,994.24		27,735,963.58
1/5th Listing Expenses written off		651,049.00		651,049.00
TOTAL :		31,643,043.24		28,387,012.58

Note 36

INCOME TAX EXPENSES :

Current Year Income Tax Provision		61,400,000.00		59,600,000.00
Add : Tax for Distributed Profit		-		
: Short Provision of Income Tax of Earlier Year				
Less : Excess provision of income Tax Earlier Year		2,585,878.00		345,419.00
TOTAL :		58,814,122.00		59,254,581.00

Note 37

EARNING PER SHARE

(A) Profit for the Year		198,884,486.15		118,491,158.10
(B) Weighted Average Number of Shares		1778550.00		1778550.00
Basic Earning Per Share		111.82		66.62
Diluted Earning per Share		111.82		66.62

For Emkay Taps And Cutting Tools Ltd.

Ajayprakash Kanoria
Chairman & Managing Director
DIN No : 00041279

Mrs. Alka Kanoria
Whole time Director
DIN No : 00041346

As Per My Report of Even Date Attached
For M/s Vijay Agrawal & Company
Chartered Accountant
FRN 138350W

Shruti Sohane
Company Secretary

V.K Sontakke
Chief Finance Officer

Vijay Agrawal
Partner
Mem. No. 031863

Place : Nagpur
Dated : 29/05/2018

Note 38
SEGMENT REPORTING

Particulars	31-Mar-18				31-Mar-17			
	Tools	Power	Others	Total	Tools	Power	Others	Total
Revenues								
Sales to External Customers	527,058,768.00	12,823,458.00	61,056,503.00	600,938,729.00	433,655,569.00	13,856,366.00	21,056,570.00	468,568,505.00
Total Segmental Revenues Segmental Result	527,058,768.00	12,823,458.00	61,056,503.00	600,938,729.00	433,655,569.00	13,856,366.00	21,056,570.00	468,568,505.00
Profit before Interest (net of allocated corporate expenses) Less: unallocated corporate expenses (Net of Other Income)	204,385,946.00	2,772,792.00	51,604,528.00	258,763,266.00	162,200,234.00	3,234,198.00	14,515,110.00	179,949,542.00
Operating Profit	204,385,946.00	2,772,792.00	51,604,528.00	258,763,266.00	162,200,234.00	3,234,198.00	14,515,110.00	179,949,542.00
Interest (net of income)	4,063,497.00			4,063,497.00	3,351,723.00	-	-	3,351,723.00
Profit before Tax	200,322,449.00	2,772,792.00	51,604,528.00	254,699,769.00	158,848,511.00	3,234,198.00	14,515,110.00	176,597,819.00
Provision for Tax								
- Current Tax				58,814,122.00				59,254,581.00
- Deferred Tax				(2,998,839.00)				(1,147,920.00)
Profit from Ordinary Activities Extraordinary Items	200,322,449.00	2,772,792.00	51,604,528.00	198,884,486.00	158,848,511.00	3,234,198.00	14,515,110.00	118,491,158.00 -
Net Profit	200,322,449.00	2,772,792.00	51,604,528.00	198,884,486.00	158,848,511.00	3,234,198.00	14,515,110.00	118,491,158.00

Particulars	31-Mar-18				31-Mar-17			
	Tools	Power	Others	Total	Tools	Power	Others	Total
Other Information Segmental Assets	415,130,268.00	49,363,484.00	776,028,054.00	1,240,521,806.00	422,118,353.00	64,784,047.00	536,913,072.00	1,023,815,472.00
Unallocated Corporate Assets Total Assets	415,130,268.00	49,363,484.00	776,028,054.00	1,240,521,806.00	422,118,353.00	64,784,047.00	536,913,072.00	1,023,815,472.00
Segmental Liabilities Unallocated Corporate Liabilities	122,034,043.00	2,508,987.00	134,227.00	124,677,257.00	100,912,425.00	138,016.00	443,398.00	101,493,839.00
Total Liabilities	122,034,043.00	2,508,987.00	134,227.00	124,677,257.00	100,912,425.00	138,016.00	443,398.00	101,493,839.00
Capital Expenditure during the year (Including Movement in CWIP)	19,477,793.00	-	-	19,477,793.00	51,311,863.00	-	-	51,311,863.00
Depreciation & Amortisation Exps.	24,641,275.00	6,350,719.00	651,049.00	31,643,043.00	20,458,870.00	7,277,094.00	651,049.00	28,387,013.00

Notes :

1. The above Financials results have been arrived at after going through the Balance Sheet and Profit & Loss Account for the Company for the Year ending on 31st March 2018
2. This segment report of M/s Emkay Taps & Cutting Tools Ltd. is prepared in accordance to the Accounting Standard 17 - "Segment Reporting"
3. 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.
4. The measurement principles for segment reporting are based on IND AS adopted in the consolidated finacial statements. Segments's performance is evaluated based on segment revenue and profit or loss from operating activities, i.e., segment results.
5. Operatring 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.
6. Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial instruments.

Note 39

EMPLOYEE COSTS

Particulars	As on March 31st, 2018	As on March 31st, 2017
Salary Allowances & Others	35,198,951	28,994,276
Defined contribution plan	1,467,120	1,300,092
Defined benefit plan/other long term benefits	542,483	1,023,781
Share based compensation	-	-
TOTAL	37,208,554	31,318,149

Note 40

INCOME TAXES

The major components of the Income Tax Expenses are Follows : Particulars	As on March 31st, 2018	As on March 31st, 2017
Current Income Tax		
in India	61,400,000	59,600,000
Overseas	-	-
Deferred Tax		
Relating to origination and	(2,998,839)	(1,147,920)
reversal of temporary differences	-	-
Relating to changes in tax rates	-	-
Tax expense attributable to current year's profit (A) :-	58,401,161	58,452,080
Adjustments in respect of income tax of previous year :		
Current income tax		
in India	(2,585,878)	(345,419)
Overseas	-	-
Total (B) :-	(2,585,878)	(345,419)
Total (A+B) :-	55,815,283	58,106,661

The company during the Period has earned a profit of Rs. 25,46,99,769.15, A provision of Rs. 6,14,00,000.00 for Income Tax as required by Income Tax Act, 1961 has been made in the Books of Account.

Note 41

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 42

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 2018 and March 31st, 2017, respectively are described below :

RELATED PARTY DISCLOSURE

A. Key Mangement Persons :
Mr. Ajay Prakash 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, 2018	Year Ended March 31st, 2017
a. Transactions for the period		
Snehalata Kanoria:-		
Interest	-	15,000.00
Nagpur Tools Pvt. Ltd.:-		
Job Work Expenses	62,338,835.00	48,010,974.00
Adishree Engineering Pvt. Ltd.		
Job Work Expenses	5,207,803.00	5,842,718.00
Purchase of Raw Material	1,924,096.00	-

Closing Balance	Year Ended March 31st, 2018	Year Ended March 31st, 2017
Due from		
Adishree Engineering Pvt. Ltd.	177,172.78	447,774.00
Due to:-		
Ajayprakash Kanoria	1,368.00	5,179,924.82
Alka Ajayprakash Kanoria	2,478.00	2,922,240.00
Snehalata Kanoria (Loan)	113,500.00	113,500.00
Nagpur Tools Pvt. Ltd.	10,028,918.00	10,589,138.00

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, 2018	Year Ended March 31st, 2017
1) Ajayprakash Kanoria		
Salary	3,600,000.00	3,600,000.00
Remuneration	7,640,990.00	5,226,420.00
2) Alka Kanoria		
Salary	1,200,000.00	1,200,000.00
Remuneration	5,093,990.00	3,530,570.00
Total	17,534,980.00	13,556,990.00

Note 43

CONTINGENCIES

Particulars	Year Ended March 31st, 2018	Year Ended March 31st, 2017
(i) Taxes, Duties and Other Demands (under adjudication/appeal/dispute)		
Sales Tax (2000-01)	-	144,790
Sales Tax (2009-10)	-	161,009
Cenvat Credit on Input Service (15-16)	-	44,270
Cenvat Credit on Input Service (Oct. 15 to June 17)	515,788	-
(ii) Claims under legal cases including arbitration matters	-	-
Total	515,788	350,069

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.

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 : Rs. 30.98 Lacs

B) Amount spent by the Company during the Year : Rs. 20.15 Lacs*

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

"* Note : 1) Pursuant to approval of CSR Committee on March 8, 2018, commitment has been made by the management to spent Rs. 12,00,000.00 however due to delay in execution of the project disbursement shall be made inthe F.Y. 18-19, which is excess by Rs. 1,17,353.00 than actual amount required to be spend."

2) There is ununtilized amount of Rs. 69481/- as reported by the CSR project implementing agency

3) The Company has spent Rs. 5000/- voluntary for tree plantation

4) Previous unutilised balance of Rs. 8400/- utilised during the year by CSR Project implementing agency

Hence there is difference in amount spent and actual accounting of CSR expenses in books.

Note 45

PREVIOUS YEAR FIGURES

The previous year figures have been regrouped, recasted and reclassified whereever 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 : 00041346

As Per My Report of Even Date Attached
For M/s Vijay Agrawal & Company
Chartered Accountant
FRN 138350W

Shruti Sohane
Company Secretary

V.K Sontakke
Chief Finance Officer

Vijay Agrawal
Partner
Mem. No. 031863

Place : Nagpur
Dated : 29/05/2018

23rd Annual General Meeting

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 MH IN

Tel Ph.: 07104-237584 Email: investors@emkaytapsandtools.com

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 23rd Annual General Meeting of the Company being held on Saturday September15, 2018 at 11.00 pm 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-27 7 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 23rd Annual General Meeting of the Company being held on September15, 2018 at 11.00 pm at The Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1. To consider and adopt the Audited financial statements of the Company for the year ended March 31, 2018 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. 2017-18 of Rs. 3/- per share.
3. To consider re-appointment of Mrs. Alka Ajayprakash Kanoria (DIN: 00041346), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers herself for re-appointment.
4. To appoint the auditors of the Company, and to fix their remuneration;

SPECIAL BUSINESS

5. To consider increase in Authorised Capital of the Company from Rs. 2 crores to Rs. 12 crores by creation of additional 1,00,00,000 shares of Rs. 10/- and consequent with this increase alteration in clause (V) of the memorandum of association of the Company.
6. To consider and make Bonus Issue in the ratio of 5:1 (i.e. 5 equity shares to be issued for every one equity share held) to the existing shareholders as recommended by the Board of Directors.
7. Re-Appointment of Mr. Ajayprakash Kanoria as Managing Director of the Company;
8. Re-Appointment of Mrs. Alka Ajayprakash Kanoria as Whole Time Director of The Company;

Signed this _____ day of _____ 2018

Signature of shareholder _____

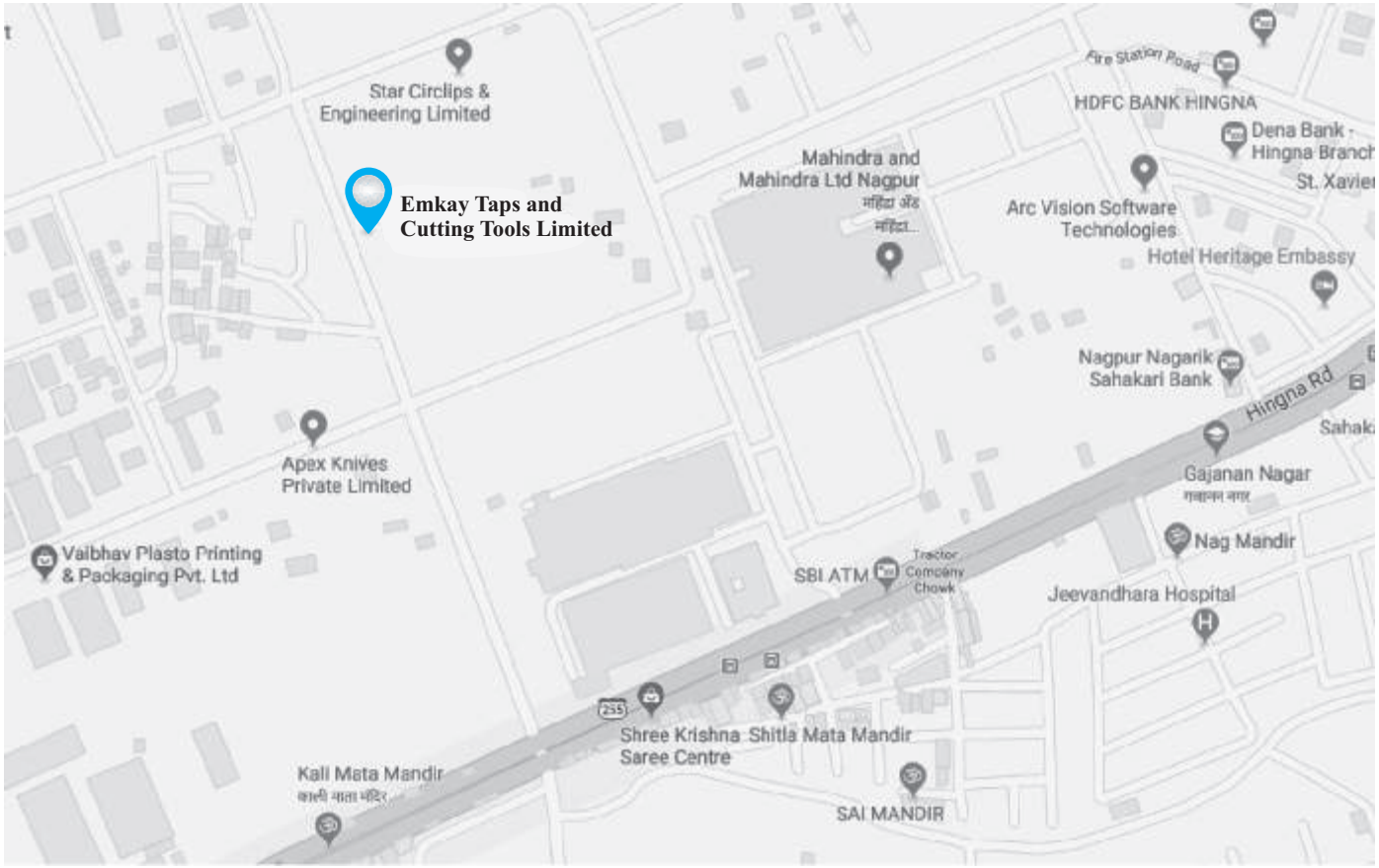
Signature of Proxy holder(s) _____

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.

Notes

MAP FOR AGM VENUE



EMKAY TAPS AND CUTTING TOOLS LTD.

- 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.

EXHIBITIONS

EMO Hannover, Germany

IMTEX-2017, Bangalore

CSR ACTIVITIES

Niramaya Bahuudhessiya Sansthan, Nagpur

Vivekanand Hospital Medical Mission, Nagpur

Ghosri Village, Dist Chandrapur (FY 16-17)

EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LTD.

:: Factory Premises & Registered Office:

B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)