



EMKAY TOOLS




# EMKAY TAPS AND CUTTING TOOLS LTD.

ANNUAL  
REPORT

2019



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## ❁ CSR Initiatives by the Company during the Year Under Review ❁



Providing Safe  
and Clean  
Drinking Water



Centrifuge  
Machine –  
Blood Bank  
Project

Promotion  
of  
Healthcare

Adoption  
of  
School



### 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, Managing Director & CEO

Mr. Ajayprakash Kanoria

#### Whole Time Director

Mrs. Alka Kanoria

#### Independent Non-Executive Director

Mr. Mahesh Mor  
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

P. S. Thakare  
Chartered Accountants  
Indo Unique Plaza, Opp Bole Petrol Pump,  
VIP Road, Civil Lines, Nagpur 440001  
Tel. : 0712 - 2520280, 6466032  
Email : psthakare20@gmail.com,  
thakereps@rediffmail.com

#### GST Auditor

M/s Loya Bagri & Associates  
Chartered Accountant  
Popular Market, Gandhibagh,  
Nagpur -440002  
Tel. No. : 0712-2766229  
Email: lbalokmat@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.

## 📌 Notice of 24<sup>th</sup> Annual General Meeting

Dear Member(s),

Notice is hereby given that the twenty-fourth Annual General Meeting of the Members of Emkay Taps and Cutting Tools Limited to be held on Monday August 19, 2019 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 business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited financial statements of the Company for the year ended March 31, 2019 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. 2018-19 at Rs. 0.50/- per share.
3. To consider re-appointment of Mr. Ajayprakash Kanoria (DIN: 00041279), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment. For details of Director seeking re-appointment at the Annual General Meeting please refer Annexure I to the Notice.

### SPECIAL BUSINESS

4. To re-appoint Mr. Mahesh Mor (DIN: 07151767) as an Independent Director and if thought fit, pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mahesh Mor (DIN: 07151767), who was appointed as an

Independent Director for a term of five(5) consecutive years from 8<sup>th</sup> April 2015 up to 7<sup>th</sup> April 2020, being eligible, be and is hereby re-appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five(5) consecutive years i.e. from 8<sup>th</sup> April 2020 up to 07<sup>th</sup> April, 2025.”

For Brief Profile of Independent Director refer Annexure -I.)

5. To re-appoint Mr. Ravindra Loiya (DIN: 07158487) as an Independent Director and if thought fit, pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ravindra Loiya (DIN: 07158487), who was appointed as an Independent Director for a term of five(5) consecutive years from 24<sup>th</sup> April 2015 up to 23<sup>rd</sup> April 2020, being eligible, be and is hereby re-appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five(5) consecutive years i.e. from 24<sup>th</sup> April 2020 up to 23<sup>rd</sup> April, 2025.”

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

Nagpur, Saturday, July 20, 2019

 **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](mailto:investors@emkaytapsandtools.com), website: [www.emkaytapsandtools.com](http://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. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
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. In accordance with the provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain close from August 16, 2019 to August 21, 2019 (both days inclusive).
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 August 23, 2019 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 on Friday, August 16, 2019 to be called as cut-off date for the purpose of final dividend declaration and distribution, if any and the Bonus issue;
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents Bigshare Services Pvt. Ltd. to provide efficient and better services.
8. The Notice of the AGM along with the Annual Report 2018-19 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 2018-19 will also be available on the Company's website viz., [www.emkaytapsandtools.com](http://www.emkaytapsandtools.com)
9. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs and ensure that the same is also updated with their respective demat account(s). The registered e-mail address will be used for sending future communications.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from <https://emkaytapsandtools.com/nomination/>. Members are requested to submit the said form to their DP in case the shares are held in electronic form.
11. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.
12. Voting through electronic means - In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:
  - i. The Board of Directors has appointed Mr. Roshan Harde (Membership No. ACS 34630) of H. Roshan & Associates, the Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the AGM and poll remote e-voting in a fair and transparent manner.
  - ii. The facility for voting, either through electronic voting system or poll paper, shall also be made available at the AGM and the Members attending the AGM, who have not already cast their vote by remote e-voting, may exercise their right to vote at the AGM.
  - iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - iv. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
  - vi. The details of the process and manner for remote e-voting are explained herein below:  
The instructions for shareholders voting electronically are as under:
    - (i) The voting period begins on Monday August 12, 2019 (9:00 a.m. IST) and ends on Sunday, August 18, 2019 (5:00 p.m. IST).. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 19, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
    - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - (iii) Click on Shareholders / Members
    - (iv) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - (v) Next enter the Image Verification as displayed and Click on Login.
    - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) " Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8

	<p>digits of the sequence number in the PAN field.</p> <p>" In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>" If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

#### Other Instructions:

- The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system or poll paper.
- Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [www.evotingindia.com](http://www.evotingindia.com). However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.emkaytapsandtools.com](http://www.emkaytapsandtools.com) and on the website of CDSL <https://www.evotingindia.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited, where the shares of the Company are listed. The results shall also be

displayed on the notice board at the Registered Office of the Company.

13. 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.
14. 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 previous financial years 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.

15. Map for 24th AGM venue is given at the end of this Annual Report.

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

### Item No.: 4

Mr. Mahesh Mor had been appointed as Independent Director of the Company on April 8, 2015 for a term of five years pursuant to provisions of Companies Act, 2013. The existing term of appointment of Mr. Mahesh Mor, The Independent Director of the Company expires on April 7, 2020. The Board of Directors, at its meeting held on July 20, 2019, subject to the approval of the Members, has considered and approved the re-appointment of Mr. Mahesh Mor as Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years with effect from April 8, 2020 to April 7, 2025.

Further based on the result of the performance evaluation and his active participation and contribution as an Independent director of the Company, the Nomination and Remuneration Committee of the Board has recommended that his continued association as Independent Director, would be of immense benefit to the Company and it is desirable to continue to avail his services as the Independent Director of the Company. Therefore, the Board proposes to seek approval of the Members of the Company.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Directors. The Company has received declaration from Mr. Mahesh Mor to the effect that he meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and as per the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, as Director he fulfills the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Approval of Members is solicited for re-appointment of Mr. Mahesh Mor, as Independent Director, in terms of applicable provisions of the Act.

The Directors recommend the resolution as set out at Item No. 4 of the accompanying Notice for the approval of Members as a special resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Mahesh Mor, the appointee, is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

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

### Item No.: 5

Mr. Ravindra Loiya had been appointed as Independent Director of the Company on April 24, 2015 for a term of five years pursuant to provisions of Companies Act, 2013. The existing term of appointment of Mr. Ravindra Loiya, the Independent Director of the Company expires on April 23, 2020. The Board of Directors, at its meeting held on July 20, 2019, subject to the approval of the Members, has considered and approved the re-appointment of Mr. Ravindra Loiya, as Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years with effect from April 24, 2020 to April 23, 2025.

Further based on the result of the performance evaluation and his active participation and contribution as an Independent director of the Company, the Nomination and Remuneration Committee of the Board has recommended that his continued association as Independent Director, would be of immense benefit to the Company and it is desirable to continue to avail his services as the Independent Director of the Company. Therefore, the Board proposes to seek approval of the Members of the Company.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Directors. The Company has received declaration from Mr. Ravindra Loiya to the effect that he meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and as per the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, as Director he fulfills the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Approval of Members is solicited for re-appointment of Mr. Ravindra Loiya, as Independent Director, in terms of applicable provisions of the Act.

The Directors recommend the resolution as set out at Item No. 5 of the accompanying Notice for the approval of Members as a special resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Ravindra Loiya, the appointee, is concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

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



## Annexures 1

### Details of Director seeking re-appointment at the 24<sup>th</sup> Annual General Meeting

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 61 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 39 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 )	: 6,14,250 shares
Relationship with other directors	: Husband of Mrs. Alka Kanoria, Whole-time Director of the Company.

*\*Appointed as Chairman and Managing Director of the Company as on July 17, 2008, also his tenure as Chairman and Managing Director is fixed for further term of 5 Years w.e.f April 1, 2019 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 Independent Director(s) for re-appointment for 2<sup>nd</sup> term of five years

NAME	: MAHESH MOR
DIN No.	: 07151767
Date of Birth	: March 3, 1957
Appointed on	: April 8, 2015
Qualifications	: Graduate of Commerce
Brief Profile	: Mr. Mahesh Mor presently have more than 30 years of business experience in managing a soft drink bottling plant, micro financing, consumer durables, vehicles Investments, etc. His personal interest is playing bridge and other sports like billiards, etc. He is a bridge player of repute and plays all important National Bridge Tournaments. He is a member of Vidarbha Bridge Association, Gondwana Club and CP Club, Nagpur. He takes active interest in evaluating the performance of various companies. He can analyze financial statements like balance sheet, etc., and is well read about different types of industries. As a Non executive Independent Director of our Company, with his finance and Business acumen, bring value addition to our Company.
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 )	: None
Relationship with other directors	: None

NAME	:	RAVINDRA LOIYA
DIN No.	:	07158487
Date of Birth	:	September 9, 1967
Appointed on	:	April 24, 2015
Qualifications	:	Graduate of Commerce
Brief Profile	:	Mr. Ravindra Loiya is an ex-student of Scindia School, Gwalior. He is a B.Com. Graduate from Nagpur University. He has more than 30 years experience in steel industry, real estate business, etc. His interest is playing Golf. He is a member of the Kamptee Club and The Garude Golf Institute. He has good exposure to various industries. His expertise will be greatly helpful to the company as Director. As a Non executive Independent Director of our Company, with his huge working experience in dynamic industries, bring value addition to our Company.
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)	:	None
Relationship with other directors	:	None

## Director's Report

Dear Shareholders,

Your Board of Directors is pleased to present the 24th Annual Report for the financial year 2018-19, together with the Standalone Audited Financial Statements for the year ended on March 31, 2019.

### Financial highlights:

Particulars	Amount ( ₹ In Crores)		
	F.Y. 2019	F.Y. 2018	Increase/ (Decrease)
Total Revenue from Operations	64.18	53.89	10.29
Other Income	(12.58)	6.21	(6.37)
Total Expenditure (excl. depreciation, interest and tax)	35.60	31.05	4.55
Profit before depreciation, interest and tax	16.00	29.04	(13.04)
Less: Interest	0.24	0.41	(0.17)
Less: Depreciation and amortization expense	2.93	3.16	(0.23)
Profit before tax	12.83	25.47	(12.64)
Less: Net tax expense	7.56	5.58	1.98
Profit for the year	5.27	19.89	(14.62)
Add: Surplus carry forward from the last year Balance sheet	96.37	76.91	19.46
Less: Dividend Paid (Incl. Tax)	0.53	0.43	0.1
Balance carried over to Balance Sheet	101.11	96.37	4.74
Paid-up share Capital	10.67	1.78	8.89
Reserves and Surplus	97.88	102.15	19.47
Earnings Per share (₹)	4.94	111.82	45.20

### Results of Operations

The total revenue from operation for the F.Y. 2018-19 is ₹ 64.18 crores marking increase of 19.11% to last year's operational revenue generation of ₹ 53.89 crores, despite slow growth 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 19.68% 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.

The sales of cutting tools till November 2018 saw a robust growth. There has been a slow down in the auto sector, which has resulted in corresponding slow down in our growth. We expect that this will continue till September 2019 and after that things are expected to return to normalcy.

#### ♦ 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. 18-19 was ₹ 1.32 crores from the power sale during the year under review.

### Share Capital

The paid up equity share capital as on 31st March 2019 was ₹10,67,13,000 due to issue of 88,92,750 bonus equity shares of ₹10/- each (Rupee Ten only) at par, in the proportion of five bonus shares for every one existing fully paid up equity shares on September 27, 2018 . Except this the Company has not issued any shares during the FY 2018-19.

### Dividend

Your Board of Directors is pleased to recommend final dividend of ₹0.50 per equity share, on 10671300 total outstanding equity shares of ₹10/- each, amounting to ₹ 53, 35,650/- in respect of the financial year 2018-19, subject to approval of shareholders in 24th AGM.

### Material changes / developments during the year:

#### ♦ Capacity Expansion:

Expansion project started in F.Y. 2015 -16 is completed; however, the effect of this expansion will be gradual.

### Material commitments during the year:

#### ♦ Main Board Migration:

On September 27, 2018 Board of directors approved migration to main board of National Stock Exchange of India Limited (NSE). The decision is yet to be implemented due to unstable market condition for migration.

### 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 2019 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. 2018-19.

### 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. 2018-19 forms integral part of this Annual Report.

### Management Discussion and Analysis [MDA]

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

### Related party transactions

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

### 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 and is also available on <https://emkaytapsandtools.com/disclosure/>.

### 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, Mr. Ajayprakash Kanoria (DIN: 00041279)

retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board recommends his reappointment by the members at the ensuing AGM.

#### II. Re-appointment of Independent Directors

In accordance with the provisions of section 196[2] of the Companies Act, 2013 Mr. Mahesh Mor and Mr. Ravindra Loiya has been appointed as Independent Directors on the Board of the Company, to be effective from 8th April, 2015 and 24th April, 2015 respectively for 5 years (till April 7, 2020 and April 23, 2020 respectively) in view of the completion of their first term of five years the Board of Directors in their meeting held on July 20, 2019, subject to approval of Members of the Company at the ensuing annual general meeting has accorded their consent and recommended the same to the shareholders to re-appoint Mr. Mahesh Mor and Mr. Ravindra Loiya as Independent Directors on the Board of the Company for another term of five years i.e. till April 7, 2025 and April 23, 2025 respectively.

#### 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 24th Annual General Meeting.

#### IV. 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, Managing Director & CEO
- ♦ Mrs. Alka Kanoria - Whole Time Director
- ♦ Mr. Vishnu Sontakke- Chief Financial Officer (CFO)
- ♦ Miss. Shruti Sohane- Company Secretary and Compliance Officer

#### V. Board Evaluation

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

The Policy for Evaluation of Performance of the Board of Directors was formulated by Nomination and Remuneration Committee of the Board of Directors and same has been approved and adopted by the Board of Directors in their Meeting held on March 12, 2019.

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](http://www.emkaytapsandtools.com).

#### VI. Declaration by Independent Directors

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

## VII. Familiarization Program for Independent Directors

With the commencement of SEBI (LODR) Regulation, 2015 w.e.f. December 2, 2015 the listed entity is required to conduct the program for the new joining director of the company to get him/her familiarized with the company. No new Director joined the Board of the Company during the year under review; hence no such program has been conducted during the FY 2018-19.

## VIII. Policies

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

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

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

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.	<a href="http://emkaytapsandtools.com/insider-trading-policy/">http://emkaytapsandtools.com/insider-trading-policy/</a>
Code of Conduct	The Company has formulated and adopted Code of Conduct for the Senior Management and officers of the Company.	<a href="http://emkaytapsandtools.com/code-of-conduct/">http://emkaytapsandtools.com/code-of-conduct/</a>
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.	<a href="http://emkaytapsandtools.com/vigil-mechanism-policy/">http://emkaytapsandtools.com/vigil-mechanism-policy/</a>
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.	<a href="http://emkaytapsandtools.com/csr-policy/">http://emkaytapsandtools.com/csr-policy/</a>
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.	<a href="http://emkaytapsandtools.com/nomination-remuneration-policy/">http://emkaytapsandtools.com/nomination-remuneration-policy/</a>
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.	<a href="http://emkaytapsandtools.com/corporate-governance/policy-for-determination-of-materiality-of-event-or-information/">http://emkaytapsandtools.com/corporate-governance/policy-for-determination-of-materiality-of-event-or-information/</a>
Archival Policy	This policy is for retention and preservation of documents and records of the Company.	<a href="http://emkaytapsandtools.com/corporate-governance/archival-policy-for-retention-of-documents_etctl/">http://emkaytapsandtools.com/corporate-governance/archival-policy-for-retention-of-documents_etctl/</a>
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.	<a href="http://emkaytapsandtools.com/wp-content/uploads/2016/02/Policy-on-Prevention-Prohibition-and-Redressal-of-Sexual-Harassment_EMKAYTOOLS.pdf">http://emkaytapsandtools.com/wp-content/uploads/2016/02/Policy-on-Prevention-Prohibition-and-Redressal-of-Sexual-Harassment_EMKAYTOOLS.pdf</a>
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	<a href="http://emkaytapsandtools.com/wp-content/uploads/2016/02/POLICY-FOR-EVALUATION-OF-PERFORMANCE-OF-THE-BOARD-OF-DIRECTORS_ETCTL.pdf">http://emkaytapsandtools.com/wp-content/uploads/2016/02/POLICY-FOR-EVALUATION-OF-PERFORMANCE-OF-THE-BOARD-OF-DIRECTORS_ETCTL.pdf</a>

## Directors' Responsibility Statement

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

- in the preparation of the annual financial statements for the year ended on March 31, 2019, 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,
- 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, 2019 and of the profit of the company for the year ended on that date,
- 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,
- the annual financial statements are prepared on a going concern basis,
- proper internal financial controls are in place and that the financial controls are adequate and are operating effectively and
- 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. P.S. Thakare & Co., Chartered Accountants, (FRN No. 128572W), has been appointed as statutory auditors of the company for 5 consecutive financial years i.e. from conclusion of 23rd AGM till the conclusion of 28th AGM.

M/s P.S. THAKARE, Chartered Accountants, Nagpur, (FRN No. 128572W), has submitted their eligibility and under section 141 of the Companies Act, 2013 and the rules made thereunder, to the Board of Directors on May 27, 2019 and are eligible to continue appointment as Statutory Auditors for the FY 2019-20.

M/s P.S. THAKARE, Chartered Accountants, has submitted Auditor's Report with unmodified opinion and unmodified figures for the F.Y. March 31, 2019 in compliance of Reg. 33 (1) (d) of SEBI (LODR) Regulations, 2015. The Board has duly reviewed the Auditor's Report and the Observations and comments, appearing in the Auditor's Report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors.

## Secretarial Audit

Pursuant to the provisions of section 204[1] of the Act read with rule 9 of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, company is required to annex the Secretarial Audit report with its Board Report. Accordingly, the appointment of M/s H. Roshan & Associates, Nagpur has been made by the Board in their meeting held on August 18, 2018, to conduct Secretarial Audit and report thereon for F.Y. 2018-19.

Accordingly, the Secretarial Audit Report given by M/s H. Roshan & Associates, Nagpur for the F.Y. 2018-19 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") and amendments thereto on prevention of Insider Trading, your Company has a comprehensive Code of Conduct for Regulating, monitoring and reporting of trading by Insiders along with policy on legitimate purpose. 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.

#### Acknowledgement

The Directors express their gratitude and warm appreciation for the sincere co-operation to the Dealers, Suppliers, Shareholders, NSE, Bankers, Workers and Employees and various government authorities for their support and look forward to their continued support in the future.

#### 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.

For and on behalf of the Board of Directors

EMKAY TAPS AND CUTTING TOOLS LIMITED

Nagpur, Saturday July 20, 2019

 Ajayprakash Kanoria

Chairman, Managing Director & CEO



## 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;

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 2018-19
  - (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 29, 2018 (Omnibus Approval)
  - (f) Amount paid as advances during the F.Y. 2018-19, 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 July 20, 2019

 **Ajayprakash Kanoria**  
 Chairman, Managing Director & CEO

## 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. 2018-19, if any:	Amount of Transactions (in ₹)	
				2018-19	2017-18
Nagpur Tools Private Limited	Promoter Group Company	Job Work	NIL	81,471,454.00	62,338,835.00
		Purchase of Blanks		29,75,598	--
		Sales of Raw Material		21,38,986	--
Adishree Engineering Private Limited	Promoter Group Company	Job Work	177,172.78	52,07,803	7,131,899.00
		Purchase of Raw Material	--	19,27,096	
Mrs. Snehalata Kanoria	Mother of Mr. Ajayprakash Kanoria, Chairman & Managing Director	Interest on Loan	NIL	--	--
Mr. Ajayprakash Kanoria	Chairman & Managing Director	Managerial Remuneration	NIL	6,362,600.00	11,240,990.00
Mrs. Alka Kanoria	Whole-time Director	Managerial Remuneration	NIL	3,745,000.00	6,293,990.00
Mr. Vishnu Sontakke	Chief Financial Officer	Salary	NIL	618,545.00	494,400.00
Ms. Shruti Sohane	Company Secretary	Salary	NIL	415,200.00	345,600.00

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

Nagpur, Saturday July 20, 2019

 **Ajayprakash Kanoria**  
Chairman, Managing Director & CEO



## 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 2019, 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, 2019, 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 during the year;
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
- iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- iv. The Securities and Exchange Board of India (Issue of capital and Disclosure of requirements) Regulations, 2009
- v. Securities and Exchange Board of India (Disclosure and investor protection) Guidelines, 2000
- vi. The Securities and exchange Board of India (Employees Stock option scheme and employees stock purchase scheme) Guidelines, 1999\*.
- vii. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations 2008\*.
- viii. 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.
- ix. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009\*.
- x. 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.

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.

I further report that:

During the year, the Company issued and allotted 88, 92,750 Bonus shares to the existing shareholders. The outstanding, issued, subscribed and paid up capital of the Company has increased from 1778550 shares to 10671300 shares of Rs. 10.00 each aggregating to Rs. 10,67,13,000/- as on March 31,

Nagpur, Saturday July 20, 2019

For **H. ROSHAN & ASSOCIATES**  
Company Secretaries

 **ROSHAN HARDE**  
(Proprietor)  
Mem. No. 34630  
CP. No. 13138

This report is to be read with our letter of even date which is annexed and forms an integral part of this report.

## Annexure 1 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 July 20, 2019

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, 2019**

[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 and Description of main products/ services	NIC Code of the Product/Service	% to total turnover of the company
1.	Taps and Cutting Tools	28221*	97.95%

\*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, 2018)				No. of shares held at the end of the year (As on March 31, 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	1060350	0	1060350	59.62	6362100	0	6362100	59.62	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	265450	0	265450	14.93	1592700	0	1592700	14.93	0.00
e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00		0		0.00	0.00
Sub-total (A) (1)	1325800	0	1325800	74.54	7954800	0	7954800	74.54	0.00
(2) Foreign									0.00
a) NRIs Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding Of Promoter (A)=(A1)+(A2)	1325800	0	1325800	74.54	7954800	0	7954800	74.54	0.00
<b>B. Public Shareholding</b>									
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

Category of Shareholders	No. of Shares held at the beginning of the year (As on March 31, 2018)				No. of shares held at the end of the year (As on March 31, 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B) (1)	0	0	0	0.00	0	0	0	0.00	0
Non-Institutions									
a) Bodies Corporate									
i) Indian	189600	0	189600	10.66	1052400	0	1052400	9.86	(0.8)
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
i) Individual Shareholders holding Nominal Share Capital up to ₹1 Lakh	100750	0	100750	5.66	185100	0	185100	1.73	(3.93)
ii) Individual Shareholders holding Nominal Share Capital in excess of ₹1Lakh	154000	0	154000	8.66	1478400	0	1478400	13.85	5.20
c) Others									
i) Foreign Bodies/ QFIs	0	0	0	0.00	0	0	0	0.00	0
ii) Non-banking financing company	0	0	0	0.00	0	0	0	0.00	0
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	400	0	400	0.02	0	0	0	0	(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	8000	0	8000	0.45	600	0	0	0.0056	(0.44)
Sub-total (B)(2)	452750	0	452750	25.46	2716500	0	2716500	25.46	0.00
Total Public Shareholding (B)=(B1)+(B2)	452750	0	452750	25.46	2716500	0	2716500	25.46	0.00
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	10671300	0	10671300	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, 2018)			No. of shares held at the end of the year (As on March 31, 2019)			% 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	102375	05.76	0	614250	05.76	0	0.00
2.	Ajayprakash Kanoria HUF	770360	43.31	0	4622160	43.31	0	0.00
3.	Alka Kanoria	187365	10.53	0	1124190	10.53	0	0.00
4.	Nagpur Tools Pvt. Ltd.	265200	14.91	0	1591200	14.91	0	0.00
5.	Adishree Engineering Pvt. Ltd.	250	0.01	0	1500	0.01	0	0.00
6.	Apoorvashree Kanoria	250	0.01	0	1500	0.01	0	0.00
Total		1325800	74.53	74.53	7954800	74.53	0	0.00

## iii) Change in Promoter's Shareholding

Name	Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)				
	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	102375	05.76		511875		614250	5.76
Ajayprakash Kanoria HUF	770360	43.31		3851800		4622160	43.31
Alka Kanoria	187365	10.53		936825		1124190	10.53
Nagpur Tools Pvt. Ltd.	265200	14.91	27.09.2018	1326000	Bonus shares	1591200	14.91
Adishree Engineering Pvt. Ltd.	250	0.01		1250		1500	0.01
Apoorvashree Kanoria	250	0.01		1250		1500	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, 2018)		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>SUDARSHAN TRADING AND MANUFACTURING PVT. LTD.</b>				
	At the beginning of the Year	166800	9.38	166800	9.38
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	6400	0.060
	Add: Bonus shares	0	0.00	862000	0.00
	Less: Sale of Shares during the year (Market sale)/Bonus issue	0	0.00	(800)	(0.007)
	At the End of the Year	166800	9.38	1034400	9.69
2.	<b>RAHIM KHAN</b>				
	At the beginning of the Year	0	0.00	0	0.00
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	97600	5.04
	Add: Bonus shares	0	0.00	428000	0.00
	Less: Sale of Shares during the year (Market sale)/Bonus issue	0	0.00	(7800)	(0.18)
	At the End of the Year	0	0.00	517800	4.85
3.	<b>NAGINADEVI AGRAWAL</b>				
	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
	Add: Bonus shares	0	0.00	204000	0.00
	Less: Sale of Shares during the year (Market sale)	0	0.00	(400)	(0.02)
	At the End of the Year	41200	2.32	244800	2.29
4.	<b>BRAJKISHORE AGRAWAL</b>				
	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
	Add: Bonus shares	0	0.00	150000	0.00
	Less: Sale of Shares during the year (Market sale)	0	0.00	(21200)	(1.19)
	At the End of the Year	51200	2.88	180000	1.69
5.	<b>NIKHIL SHASHI AGRAWAL</b>				
	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
	Add: Bonus shares	0	0.00	112000	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	134400	1.26
6.	<b>RAVINDRA RAMESH MALOO</b>				
	At the beginning of the Year	400	0.02	400	0.02
	Add: Purchase of shares during the year (Market Purchase)	0	0.00	25600	0.77
	Add: Bonus shares	0	0.00	58000	0.00
	Less: Sale of Shares during the year (Market sale)	0	0.00	0	0.00
	At the End of the Year	400	0.02	84000	0.79

Sr. No. Name	Shareholding at the beginning of the year (As on April 1, 2018)		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7. ANUJ SHANTILAL BADJATE				
At the beginning of the Year	7200	0.41	7200	0.41
Add: Purchase of shares during the year (Market Purchase)	0	0.00	0	0.00
Add: Bonus shares	0	0.00	36000	0.00
Less: Sale of Shares during the year (Market sale)	0	0.00	0.00	0.00
At the End of the Year	7200	0.41	43200	0.41
8. SHILPA MALOO				
At the beginning of the Year	1600	0.09	1600	0.09
Add: Purchase of shares during the year (Market Purchase)	0	0.00	10800	0.84
Add: Bonus shares	0	0.00	30000	0.00
Less: Sale of Shares during the year (Market sale)	0	0.00	(1600)	(0.09)
At the End of the Year	1600	0.09	40800	0.38
9. VINOD LODHA				
At the beginning of the Year	4800	0.27	4800	0.27
Add: Purchase of shares during the year (Market Purchase)	0	0.00	0	0.00
Add: Bonus shares	0	0.00	24000	0.00
Less: Sale of Shares during the year (Market sale)	0	0.00	(600)	(0.01)
At the end of the Year	4800	0.27	28200	0.26
10. TUSHAR SHANTILAL LUNKAD				
At the beginning of the Year	400	0.02	400	0.02
Add: Purchase of shares during the year (Market Purchase)	0	0.00	6500	0.23
Add: Bonus shares	0	0.00	17500	0.00
Less: Sale of Shares during the year (Market sale)	0	0.00	(400)	(0.02)
At the end of the Year	400	0.02	24000	0.22

\*Total no. of shares before Bonus issue: 1778550; after bonus share allotment total no. of outstanding paid up shares 10671300.

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

Sr. No.	Name	Shareholding at the beginning of the year i.e. as on 01-04-18		Date	Increase/ Decrease in share-Holding during the year	Reason	Cumulative Shareholding during the year (2018-19)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total Shares of the Company
A.	DIRECTORS							
1.	Ajayprakash Kanoria	102375	5.76	27.09.2018	511875	Bonus shares	614250	5.76
2.	Alka Kanoria	187365	10.53	27.09.2019	936825	Bonus shares	1124190	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 (01.04.2018)				
i) Principal Amount	4.2591	0.0141	0.0000	4.2732
ii) Interest due but not paid	0.0000	0.0000	0.0000	0.0000
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
Change in Indebtedness during the financial year				
Addition	81.1939	0.0000	0.0000	81.1939
Reduction	82.5995	0.0000	0.0000	82.5995
Net Change	(1.4056)	0.0000	0.0000	(1.4056)
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	2.8535	0.0141	0.0000	2.8676
ii) Interest due but not paid	0.0000	0.0000	0.0000	0.0000
iii) Interest accrued but not due	0.0000	0.0000	0.0000	0.0000
TOTAL (i + ii + iii)	2.8535	0.0141	0.0000	2.8676

Note: Above figures include balances of cash credit account availed from ICICI Bank during F.Y. 2018-19

## 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	2,762,600.00	2,545,000.00	5,307,600.00
	<b>TOTAL (A)</b>	<b>6,362,600.00</b>	<b>3,745,000.00</b>	<b>10,107,600.00</b>

### 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	24,500.00	0.00	24,500.00
	b. Ravindra Loiya	10,500.00	0.00	10,500.00
	c. P.C. Ramchandran	20,500.00	0.00	20,500.00
	Total (1)	55,500.00	0.00	55,500.00
2.	Other Non-Executive Directors	NA		
	Total (2)	0.00	0.00	0.00
	Total (B)=(1+2)	55,500.00	0.00	55,500.00
	Total Managerial Remuneration	(A+B)	10,163,100.00	
	Overall Ceiling As Per The Companies Act, 2013			
	(As per section 197 and 198)	11% of Net Profit	31,106,880.95	

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

Particulars of Remuneration	Key Managerial Personnel Amount in lakhs (₹)		Total
	Shruti Sohane, CS	Vishnu Sontakke, CFO	
Gross salary	4.15	6.19	10.34
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	~	~	~
<b>TOTAL</b>	<b>4.15</b>	<b>6.19</b>	<b>10.34</b>

**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
<b>A.COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B.DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

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

Nagpur, Saturday July 20, 2019

 **Ajayprakash Kanoria**  
Chairman, Managing Director & CEO



## 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/incurred 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](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 : ₹ 165,967,603.55
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above) : ₹ 3,319,352.07
5. Details of CSR spent during the financial year :
  - (a) Total CSR Amount for the F.Y. 18-19 : ₹ 3,319,352.07
  - (b) Total CSR spent during the year : ₹ 4,099,000.00
  - (c) Reason for not spending, if any : NA
  - (d) Manner in which the amount spent during the financial year is detailed below: Annexure to Annual Report on CSR activities.
6. Responsibility Statement:
 

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

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

Nagpur, Saturday July 20, 2019

 **Ajayprakash Kanoria**  
 Chairman, Managing Director & CEO

### 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: (1) 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	48,000.00	Water tank was directly provided by the Company through Water Tank Supplier	48,000.00	Digdoh (Deevi) Grampanchat
2.	Contribution for Purchase of Medical Equipments to facilitate health check-up and treatment of needy patients	Promotion of Healthcare	Arogya Seva Kendra, Parsodi-Khapri, Wardha Road Nagpur	13,00,000.00	Donation given to Vivekanand hospital Medical Mission for implementation of the project	13,00,000.00	Vivekanand hospital Medical Mission, Nagpur
3.	Contribution for purchase of Thermo Scientific Heraeus Blood Bank Centrifuge Model 6000i (Machine)	Promotion of health care	Nagpur, Maharashtra	12,51,000.00	Donation given to Hedgewar Blood Bank for purchase of Centrifuge Machine	12,51,000.00	Hedgewar Blood Bank Nagpur
4.	Adoption of school(s) for imparting Education to children of rural and tribal areas	Promotion of Education for all	In nearby areas of Nagpur rural, Umred & Hingna Tehsil of Vidharbha region in Maharashtra State and in rural and tribal areas of India	15,00,000.00	Donation given to Friends of Tribal Society, Nagpur	15,00,000.00	Friends of Tribal Society, Nagpur for EKAL movement -Education for all
					<b>Total</b>	<b>40,99,000</b>	

#### Implementation Agency:

- ◆ Digdoh Devi Grampanchayat, MIDC Hingna Nagpur
- ◆ Vivekanand hospital Medical Mission, Nagpur established in 1974
- ◆ Hedgewar Blood Bank established in 1980
- ◆ Friends of Tribal Society established on January 15, 1989 under the West Bengal Societies Registration Act of 1961

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Nagpur, Saturday July 20, 2019

 **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. 2018-19.

Sr. No.	Name	Designation	Total Remuneration (in `)	Ratio of Directors Remuneration to Median remuneration	% increase in the remuneration
				(A)	(B)
<b>I.</b>	<b>Executive Director</b>				
1.	Mr. Ajayprakash Kanoria	Chairman & Managing Director	63,62,600.00	20.18	NA
2.	Mrs. Alka Kanoria	Whole-time Director	37,45,000.00	11.87	NA
<b>II.</b>	<b>Non-Executive Director</b>				
3.	Mr. Mahesh Mor	Independent Director	24,500.00	NA	NA
5.	Mr. Ravindra Loiya	Independent Director	10,500.00	NA	NA
6.	Mr. P.C. Ramchandran	Independent Director	20,500.00	NA	NA
<b>III.</b>	<b>Key Managerial Personnel</b>				
7.	Mr. Vishnu Sontakke	Chief Finance Officer	5,94,960.00	NA	39.81%
8.	Ms. Shruti Sohane	Company Secretary	4,15,200.00	NA	20.14%

- 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 2018-19
2018-19	2017-18	
3,15,420.00	3,16,008.00	--

- D. The number of permanent employees on the rolls of company as on March 31, 2019 : **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 2018-19
All permanent Employees	14.00%
Executive Directors/ Managerial Remuneration	
Mr. Ajayprakash Kanoria	NA*
Mrs. Alka Kanoria	NA*

Note: Increase/decrease in overall remuneration to the Executive Directors is due to increase in remuneration as% of Net Profit which in turn is due to increase /decrease 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]; [NIL](#)
- (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.
- ◆ Steps taken by the Company for utilising the alternate sources of energy:  
Company is in process 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. The expansion plan has completed 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

Particular	Amount in Crores (₹)	
	2018-19	2017-18
Total Foreign Exchange Outgo	10.33	3.97
Total Foreign Exchange Earned	0.61	0.36

## Corporate Governance Report 2018-19

### 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.

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 voluntarily opted to give the CGR-2018-19 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 & CEO, 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, 2018 to 31st March 2019, the Board of Directors met five times on May 29, 2018, August 18, 2018, September 27, 2018, November 13, 2018 and March 12, 2019. The maximum time gap between any two consecutive board meetings was more than 120 days.

##### Code of conduct for Board Members and Senior Management Personnel

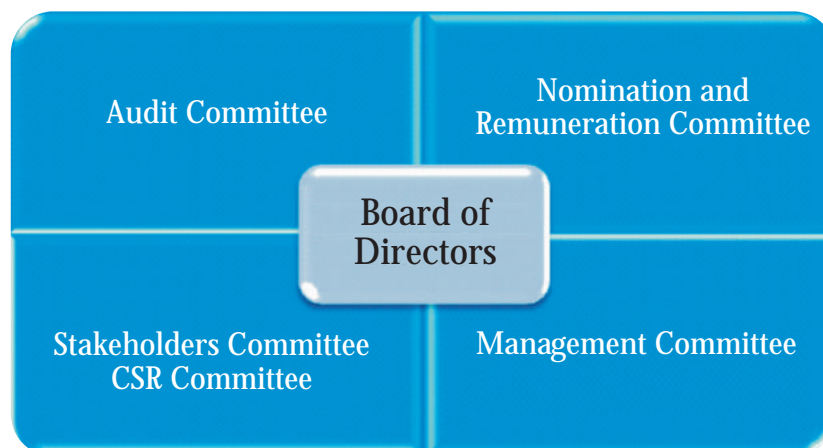
The Board had approved a code of conduct for Board Members and Senior Management Personnel of the company which also incorporates the duties of Independent directors as laid down in Companies act, 2013. The Code has been displayed on the company's website [www.emkaytapsandtools.com](http://www.emkaytapsandtools.com)

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. 2018-19	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, 2019
					Chairman	Member	
1.	Ajayprakash Kanoria	CMD	5	Nil	Nil	Nil	6,14,250
2.	Alka Kanoria	WTD	5	Nil	Nil	Nil	11,24,190
3.	Mahesh Mor	NEID	5	Nil	Nil	Nil	0
5.	Ravindra Loiya	NEID	3	Nil	Nil	Nil	0
6.	P.C. Ramchandran	NEID	5	Nil	Nil	Nil	0





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

#### ♦ Audit Committee

The Audit Committee of the Board of Directors met four times during the F.Y. under review viz., May 29, 2018, August 18, 2018, November 13, 2018 and March 12, 2019. 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. 2018-19
1.	Mr. Mahesh Mor	NEID	Chairman	4
2.	Mr. P. C. Ramchandran	NEID	Member	4
3.	Mr. Ajayprakash Kanoria	CMD	Member	4

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

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

#### ♦ Nomination and Remuneration/Compensation Committee

The Nomination and Remuneration Committee of the Company met two times during the F.Y. 2018-19 on August 18, 2018 and March 12, 2019.

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. 2018-19
1.	Mr. Mahesh Mor	NEID	Chairman	2
2.	Mr. Ravindra Loiya	NEID	Member	1
3.	Mr. P. C. Ramchandran	NEID	Member	2

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

#### Terms of Reference:

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

#### Nomination and Remuneration Policy

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

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

#### Definitions

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

“Key Managerial Personnel” means:

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

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

#### Objective

The objective of the policy is to ensure that:

- ◆ the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors to run the company successfully;
- ◆ relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- ◆ Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### Role of the Committee

The role of the NRC will be the following:

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

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

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

### Term /Tenure

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

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

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

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

### Evaluation

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

### Removal

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

### Retirement

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

### Policy for Remuneration to Directors/KMP/ Senior Management Personnel

1. Remuneration to Managing Director / Whole-time Directors:

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

2. Remuneration to Non- Executive / Independent Directors:

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

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

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

### 3. Remuneration to Key Managerial Personnel and Senior Management:

- 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.
- 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.
- The Fixed pay may include monthly remuneration, employer's contribution to Provident Fund contribution to pension fund, pension schemes, etc. as decided from time to time.
- 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 12, 2019 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. 2018-19
1.	Mr. Mahesh Mor	NEID	Chairman	1
2.	Mr. Ravindra Loiya	NEID	Member	1
3.	Mr. P. C. Ramchandran	NEID	Member	1

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 four times on August 18, 2018, October 11, 2018, February 09, 2019 and March 12, 2019 during the year under review. A detailed annual report on CSR during F.Y. 2018-19 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](http://www.emkaytapsandtools.com)

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2018-19
1.	Ajayprakash Kanoria	CMD	Chairman	4
2.	Alka Kanoria	WTD	Member	4
3.	Mr. Mahesh Mor	NEID	Member	4

#### ♦ Management Committee

The Committee met four (4) times in the F.Y. 2018-19 on May 8, 2018, August 27, 2018, September 6, 2018 and March 25, 2019. Ms. Shruti Sohane Company Secretary is the Compliance Officer of the Company and also acts as secretary to the Committee.

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2018-19
1.	Ajayprakash Kanoria	CMD	Chairman	4
2.	Alka Kanoria	WTD	Member	4

#### ♦ Remuneration of Managing and Whole Time Director

The details of remuneration paid from 1st April, 2018 to 31st March, 2019 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	2,762,600.00	2,445,000.00
Contribution to PF and superannuation fund	28,800.00	21,600.00
Total	6,391,400.00	3,666,600.00

#### ♦ 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	12	2,500.00	1,000.00
2.	Mr. Ravindra Loiya	NEID	3	3	2,500.00	1,000.00
4.	Mr. P. C. Ramchandran	NEID	5	8	2,500.00	1,000.00

Note: \*Includes one meeting of Independent directors

♦ **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, 2019. 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
21 <sup>ST</sup>	March 31, 2016	Plot No B-27 And B-27/1,	September 10, 2016	12:30 PM
22 <sup>ND</sup>	March 31, 2017	MIDC Hingna, Industrial Estate,	August 12, 2017	12.30 PM
23 <sup>RD</sup>	March 31, 2018	Nagpur-440016	September 15, 2018	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.

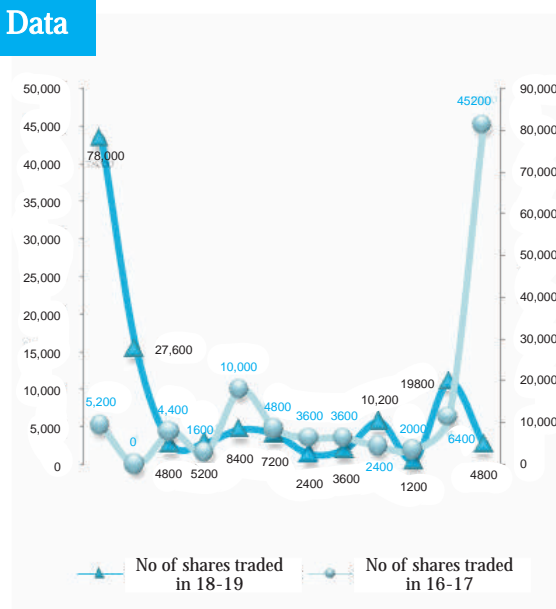
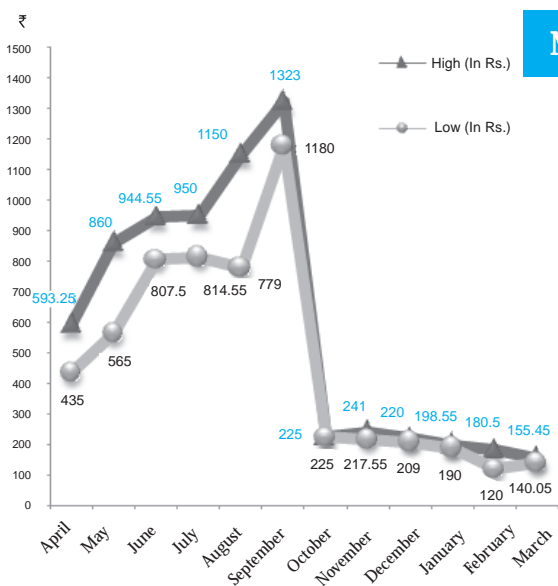
#### ◆ General Information to Shareholders

Sr. No.	Salient Items of Interest	Particulars
1.	AGM Day and Date Time Venue	: On Monday August 19, 2019 : 11.00 AM : Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016
2.	Financial Year	: April 1st 2018 to March 31st 2019
3.	E-voting Start Date and Closing Date	: August 12, 2019 to August 18, 2019
4.	Date of Book Closure for AGM and Dividend, if any declared	: From : August 16, 2019 To : August 21, 2019
5.	Dividend Payment Date, if any declared	: August 23, 2019
6.	Listing on Stock Exchanges	: The Company's equity shares are listed on SME Platform of NSE on 13 <sup>th</sup> August, 2015. The listing fee for the F.Y. 2018-19 has been paid.
7.	Custodian Fees to Depositories	: The Company has paid fees for the F.Y. 2018-19 to National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) on time.
8.	Symbol	: <b>EMKAYTOOLS</b>
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: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> email: <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a>
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: <a href="mailto:ID:investor@emkaytapsandtools.com">ID:investor@emkaytapsandtools.com</a>

### ◆ Market Price Data

Market data as available on NSE(India) Limited website <https://www.nseindia.com/emergeduring> each month of the financial year 2018-19 is given below:

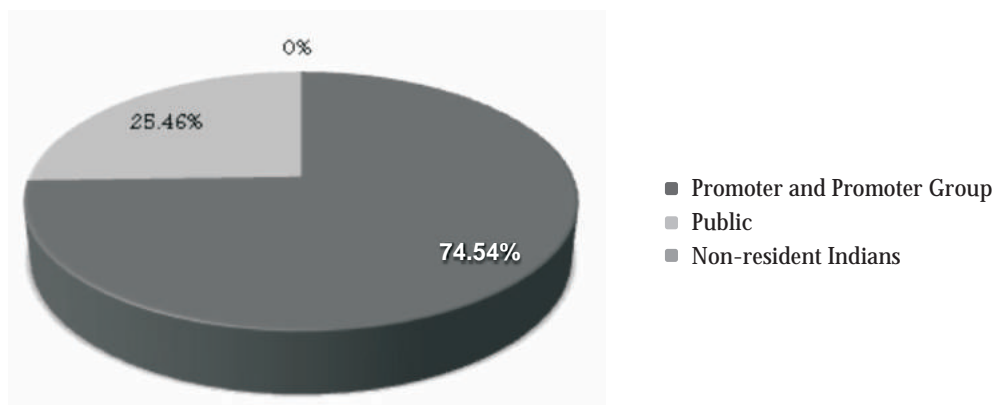
MONTH	HIGH (IN ₹)	LOW (IN ₹)	NO. OF SHARES TRADED
April 2018	593.25	435.00	78000
May 2018	860.00	565.00	27600
June 2018	944.55	807.50	4800
July 2018	950.00	814.55	5200
August 2018	1150.10	779.00	8400
September 2018	1323.00	1180.00	7200
October 2018	225.00	225.00	2400
November 2018	241.00	217.55	3600
December 2018	220.00	209.00	10200
January 2019	198.55	190.00	1200
February 2019	180.50	120.00	19800
March 2019	155.45	140.05	4800



### ◆ Shareholding Pattern as on 31<sup>st</sup> March 2019

Categories	Total Shareholder	% of shareholders	No. Of shares held	Percentage of total (%)
A. Promoter and Promoter Group	06	06.12	7954800	74.544
Promoters	04	04.08	6362100	59.618
Corporate Bodies (Promoter Group)	02	02.04	1592700	14.925
Person related to Director	00	00.00	00	00.000
B. Public	92	93.88	2716500	25.456
Non-Institutional (Individual)	00	00.00	00	00.000
Corporate Bodies	06	06.12	1052400	09.861
Clearing members	01	01.02	600	00.005
C. Non-resident Indians	00	00.00	00	00.000
<b>TOTAL (A+B+C)</b>	<b>98</b>	<b>100.00</b>	<b>10671300</b>	<b>100.000</b>

## Shareholding Pattern



Shareholding of nominal		Number of shareholders	Percentage of total	Share amount	Percentage of total
( )	( )		%	( )	%
1	5000	0	0	0	0
5001	10000	09	9.0000	54000	0.0506
10001	20000	07	7.0000	105000	0.0984
20001	30000	38	38.0000	930000	0.8715
30001	40000	0	0	0	0
40001	50000	11	11.0000	528000	0.4948
50001	100000	06	6.0000	450000	0.4217
100001	999999999	29	29.0000	104646000	98.0630
TOTAL		100	100.0000	106713000	100.0000

### ♦ Top 10 Shareholders as on March 31, 2019

Sr. No.	Name of shareholder	Category of shareholder	No. Of shares held	% of holding
1.	Ajayprakash Kanoria (HUF)	Promoter	4622160	43.3139
2.	Nagpur Tools Private Limited	Corporate Promoter Group	1591200	14.9110
3.	Alka Ajayprakash Kanoria	Promoter	1124190	10.5347
4.	Sudarshan Trading and Manufacturing Pvt. Ltd.	Corporate Bodies	1034400	9.3784
5.	Ajayprakash Kanoria	Promoter	614250	5.7561
6.	Rahim Khan	Public	517800	4.8523
7.	Naginadevi Agrawal	Public	244800	2.2940
8.	Brajkishore Agrawal	Public	180000	1.6868
9.	Nikhil S. Agrawal	Public	134400	1.2595
10.	Ravindra Maloo	Public	84000	0.7872

♦ **Shares held in dematerialized form as on March 31, 2019**

Particulars	Number of shares	% of total issued capital
Issued Capital / Listed Capital (as per Company records)	10671300	100.00
Held in Dematerialised form in NSDL	8103300	75.94
Held in Dematerialised form in CDSL	2568000	24.06
Physical	00	0.00
Total No. of shares	10671300	100.00

♦ **Legends used in the report:**

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

Nagpur, Saturday July 20, 2019

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

 **Shruti Sohane**  
Company Secretary & Compliance Officer

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

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


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

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

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

Nagpur, Saturday July 20, 2019

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, 2019 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 July 20, 2019

For Emkay Taps and Cutting Tools Limited

 **Ajayprakash Kanoria**  
Chairman, Managing Director & CEO

 **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 July 20, 2019

For Emkay Taps and Cutting Tools Limited

 **Ajayprakash Kanoria**  
Chairman, Managing Director & CEO

 **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 and auto-ancillary industry, electrical fittings industry, Defense components along with Aerospace and general engineering industry requirements covering major sectors of Engineering and Capital Goods Industry in broader sense. The sales of cutting tools till November 2018 saw a robust growth. There has been a slow down in the auto sector, which has resulted in corresponding slow down in our growth. We expect that this will continue till September 2019 and after that things are expected to return to normalcy. During the year, company has added new customers in auto, defense and electrical fittings segments.

Company has also achieved higher exports of Rs.88.97 lakh improving the performance by 150% compared to sales of Rs.35.54 last year. We are optimistic to have further growth during the coming years.

Our Future Prospective - Growth will depend on various factors which are summarized hereunder:

### Segregating positive Factors:

#### ◆ Global Economic Overview

One year ago economic activity was accelerating in almost all regions of the world and the global economy was projected to grow at 3.9 percent in 2018 and 2019. One year later, much has changed: the escalation of US-China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. With this weakness expected to persist into the first half of 2019, the World Economic Outlook (WEO) projects a decline in growth in 2019 for 70 percent of the global economy. Global growth, which peaked at close to 4 percent in 2017, softened to 3.6 percent in 2018, and is projected to decline further to 3.3 percent in 2019. Although a 3.3 percent global expansion is still reasonable, the outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as advanced economy growth rates converge toward their modest long-term potential.

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence and, so financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets in the spring of 2018 and then in advanced economies later in the year, weighing on global demand. Conditions have eased in 2019 as the US Federal Reserve signaled a more accommodative monetary policy stance and markets became more optimistic about a US-China trade deal, but they remain slightly more restrictive than in the fall.

While 2019 started out on a weak footing, a pickup is expected in the

second half of the year. This pickup is supported by significant policy accommodation by major economies, made possible by the absence of inflationary pressures despite closing output gaps. The US Federal Reserve, in response to rising global risks, pause in interest rate increases and signaled no increases for the rest of the year. The European Central Bank, the Bank of Japan, and the Bank of England have all shifted to a more accommodative stance. China has ramped up its fiscal and monetary stimulus to counter the negative effect of trade tariffs. Furthermore, the outlook for US-China trade tensions has improved as the prospects of a trade agreement take shape.

As a result of these developments, global growth is now projected to slow from 3.6 percent in 2018 to 3.3 percent in 2019, before returning to 3.6 percent in 2020. Growth for 2018 was revised down by 0.1 percentage point relative to the October 2018 World Economic Outlook (WEO), reflecting weakness in the second half of the year, and the forecasts for 2019 and 2020 are now marked down by 0.4 percentage point and 0.1 percentage point, respectively. The current forecast envisages that global growth will level off in the first half of 2019 and firm up after that.

This is a delicate year for the global economy. If the downside risks do not materialize and the policy support put in place is effective, then global growth will return to 3.6 percent in 2020. If, however, any of the major risks materialize, then the expected recoveries in stressed economies, export-dependent economies, and highly indebted economies may not occur.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2019/03/28/world-economic-outlook-april-2019#Full%20Report%20and%20Executive%20Summary>

#### ◆ Growth Outlook—Emerging Market and Developing Economies

As a result of these developments, global growth is now projected to slow from 3.6 percent in 2018 to 3.3 percent in 2019, before returning to 3.6 percent in 2020. Growth for 2018 was revised down by 0.1 percentage point relative to the October 2018 World Economic Outlook (WEO), reflecting weakness in the second half of the year, and the forecasts for 2019 and 2020 are now marked down by 0.4 percentage point and 0.1 percentage points, respectively. The current forecast envisages that global growth will level off in the first half of 2019 and firm up after that.

The projected pickup in the second half of 2019 is predicated on an ongoing buildup of policy stimulus in China, recent improvements in global financial market sentiment, the waning of some temporary drags on growth in the euro area, and a gradual stabilization of conditions in stressed emerging market economies, including Argentina and Turkey. Improved momentum for emerging market and developing economies is projected to continue into 2020, primarily reflecting developments in economies currently experiencing macroeconomic distress—a forecast subject to notable uncertainty. Source: World economic outlook (International Monetary Fund) April 2019

Global growth in 2019 is expected to slow to 2.6 percent, reflecting weaker-than-expected trade and investment at the start of the year. Growth is projected to gradually rise to 2.8 percent by 2021, predicated on continued benign global financing conditions and a modest recovery in emerging market and developing economies (EMDEs). However, EMDE growth remains constrained by subdued investment. Risks are firmly on the downside, in part reflecting the possibility of a further escalation of trade tensions. It is urgent for

EMDEs to reinforce policy buffers and to implement reforms that boost growth prospects.

Source: Global Economic Prospects Heightened Tensions, Subdued Investment JUNE 2019

#### ♦ GDP: Global and Domestic scenario - An overview

Global growth is expected to slow to 2.6 percent in 2019—below previous projections—and to gradually rise to 2.8 percent by 2021.

South Asia growth remains robust despite headwinds from weakening global trade and manufacturing. Regional growth is expected to expand 6.9% in 2019, underpinned by strong domestic demand.

Private consumption and investment remained robust in much of the region,

This region continued to enjoy solid economic activity in 2018, posting 7 percent GDP growth due to robust domestic demand. Regional growth is projected to remain close to 7 percent over the forecast horizon, as it benefits from strong private consumption and investment. The main risks to the outlook include a re-escalation of political uncertainty and regional tensions, financial sector weakness due to nonperforming assets, fiscal challenges, and a sharper than-expected weakening of growth in major economies.

**TABLE :South Asia forecast summary**

(Real GDP growth at market prices in percent, unless indicated otherwise)								Percentage point differences from January projections				
	2015	2016	2017	2018e	2019f	2020f	2021f	2017	2018e	2019	2020f	2021f
EMDE South Asia, GDP1, 2	7.1	8.1	6.7	7.0	6.9	7.0	7.1	0.5	0.1	-0.2	-0.1	0.0
(Average including countries with full national accounts and balance of payments data only)3												
EMDE South Asia, GDP3	7.1	8.2	6.7	7.1	6.9	7.0	7.1	0.5	0.2	-0.2	-0.1	0.0
GDP per capita												
(U.S. dollars)	5.8	6.9	5.5	5.8	5.7	5.8	5.9	0.6	0.1	-0.2	-0.1	-0.1
PPP GDP	6.9	7.0	6.1	7.6	6.9	7.0	7.1	-0.1	0.7	-0.2	-0.1	0.0
Private consumption	6.8	7.6	6.2	8.3	7.0	6.9	7.0	0.2	1.4	0.0	-0.1	0.0
Public consumption	4.5	8.5	11.1	8.5	7.6	6.9	7.1	0.0	-2.2	-1.5	-1.6	-1.4
Fixed investment	3.5	7.7	7.0	10.5	8.3	7.8	7.9	-1.0	2.3	0.4	0.1	0.4
Exports, GNFS4	-5.2	1.9	6.0	7.8	5.4	5.2	5.5	-0.2	2.2	-0.2	-0.7	-0.5
Imports, GNFS4	-3.7	2.7	13.0	14.0	6.2	5.8	6.1	-1.6	5.5	-0.1	-0.9	-0.7
Net exports, contribution to growth	-0.2	-0.3	-2.0	-2.1	-0.6	-0.6	-0.6	0.3	-1.0	0.0	0.0	0.0
Memo items: GDP2												
	15/16	16/17	17/18	18/19e	19/20f	20/21f	21/22f	17/18	18/19e	19/20f	20/21f	21/22f
South Asia excluding India	5.4	5.8	6.0	5.5	4.8	5.0	5.3	0.1	-0.2	-0.7	-0.6	-0.3
India	8.0	8.2	7.2	7.2	7.5	7.5	7.5	0.5	-0.1	0.0	0.0	0.0
Pakistan (factor cost)	4.6	5.4	5.8	3.4	2.7	4.0	4.0	0.0	-0.3	-1.5	-0.8	-0.8
Bangladesh	7.1	7.3	7.9	7.3	7.4	7.3	7.3	0.0	0.3	0.6	0.5	0.5

Source: World Bank.

Note: e = estimate; f = forecast. EMDE = emerging market and developing economies. World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not differ at any given moment in time.

1. GDP at market prices and expenditure components are measured in constant 2010 U.S. dollars.

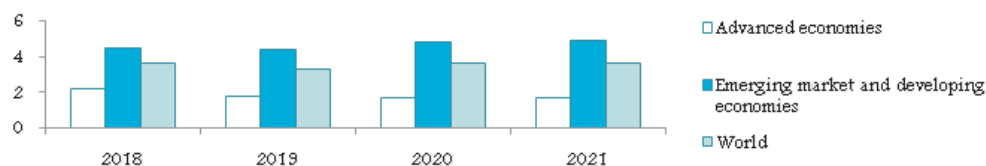
2. National income and product account data refer to fiscal years (FY) for the South Asian countries, while aggregates are presented in calendar year (CY) terms. The fiscal year runs from July 1 through June 30 in Bangladesh, Bhutan, and Pakistan, from July 16 through July 15 in Nepal, and April 1 through March 31 in India.

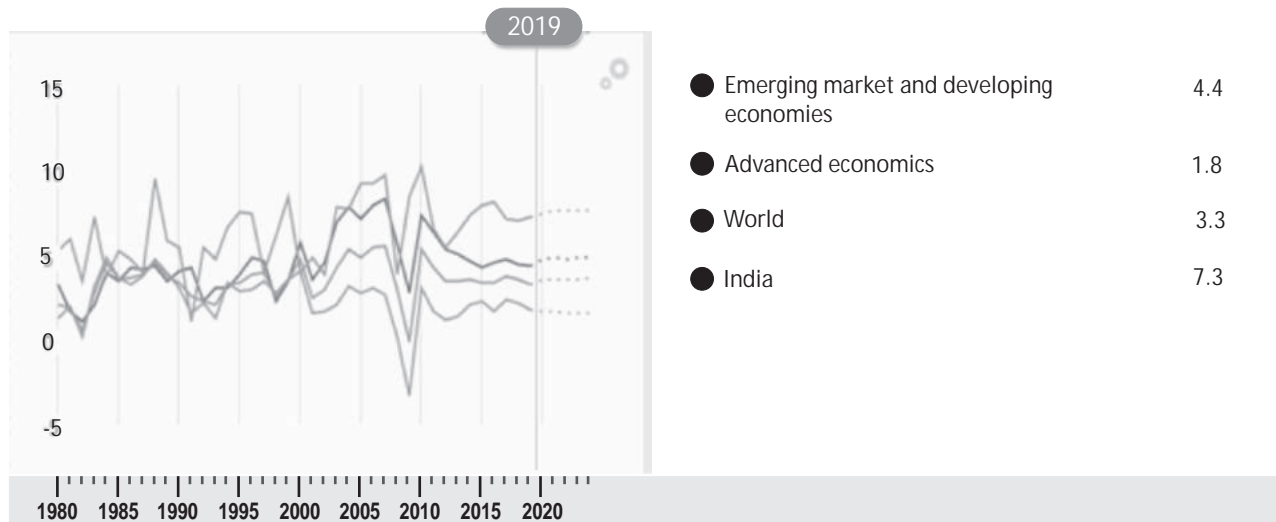
3. Sub-region aggregate excludes Afghanistan, Bhutan, and Maldives, for which data limitations prevent the forecasting of GDP components.

4. Exports and imports of goods and non-factor services (GNFS).

Source: <https://www.worldbank.org/en/publication/global-economic-prospects>

#### Real GDP growth (Annual percent change)

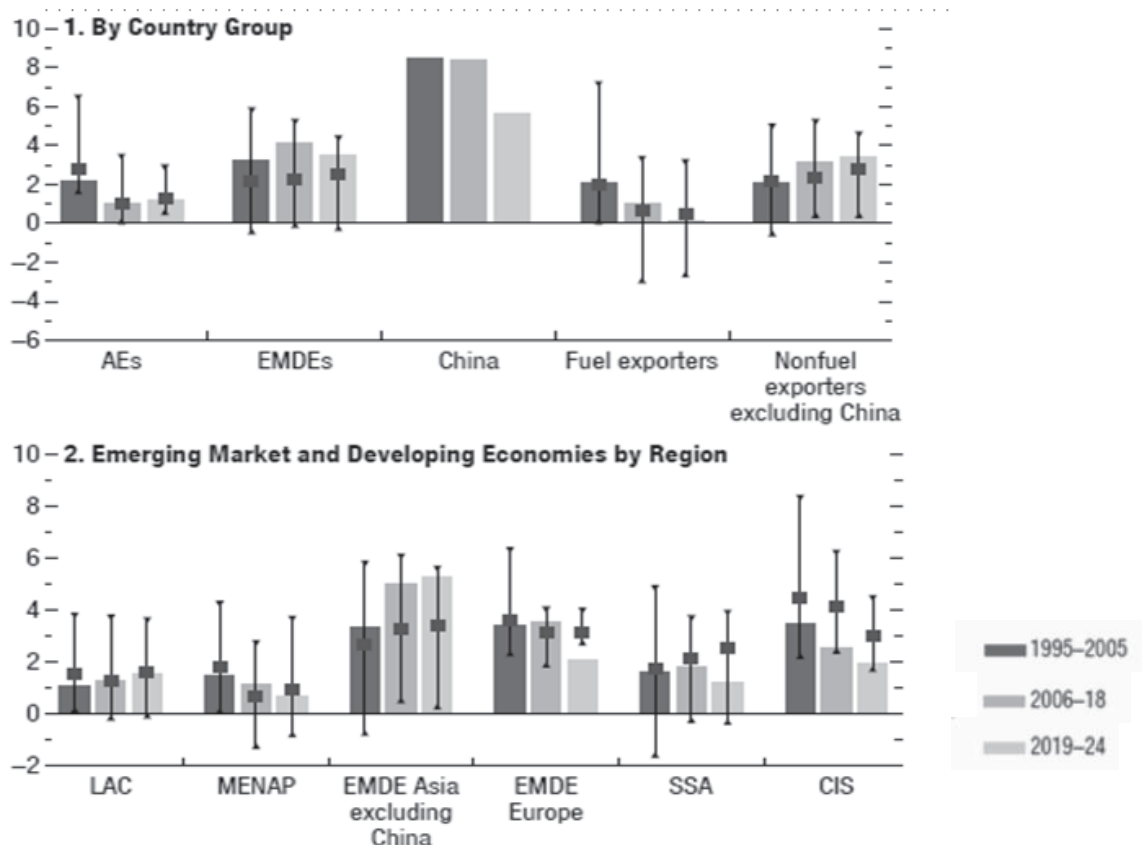




[https://www.imf.org/external/datamapper/NGDP\\_RPCH@WEO/OEMDC/ADVEC/WEOWORLD/IND](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD/IND)

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. Growth in India is expected to stabilize at just under 7¼ percent over the medium term, based on continued implementation of structural reforms and easing of infrastructure bottlenecks. Source: World Economic Outlook Database April 2019

#### Per Capita Real GDP Growth



Source: World Economic Outlook Database April 2019

India is emerging as global hub for auto component sourcing. A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe and Latin America. Relative to competitors, India is geographically closer to key automotive markets like the Middle East and Europe.

The auto-components industry accounted for 2.3 per cent of India's Gross Domestic Product (GDP) in 2017-18. The auto components sector has been observing robust growth with a turnover of US\$ 51.2 billion in FY18 and turnover is anticipated to reach US\$ 200 billion by FY26.

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. Production of Two Wheelers, Passenger Vehicles, Commercial Vehicles and Three Wheelers reached 24.50 million, 4.03 million, 1.11 million, and 1.27 million in 2018-19. According to Department for Promotion of Industry and Internal Trade, FDI inflow in automotive\* sector from April 2000 to December 2018 stood at US\$ 20.85 billion.

Favorable government policies such as Auto Policy 2002, Automotive Mission Plan 2016-2026, National Automotive Testing and R&D Infrastructure Projects (NATRIPs), have helped the Indian auto components industry achieve considerable growth. The government has also extended the FAME Scheme from September 2018 to March 2019.

Source: <https://www.ibef.org/archives/industry/auto-components-reports/indian-auto-components-industry-analysis-january-2019>

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.

Comparative advantage vis-à-vis peers in terms of manufacturing costs, market knowledge, technology and creativity has been a driving force for engineering exports from India. India's engineering exports reached an all-time high in FY19, surpassing the US\$ 80 billion mark. Engineering exports grew 6.32 per cent year-on-year to US\$ 81.02 billion in FY19. Engineering exports reached US\$ 6.49 billion in April 2019. Source: <https://www.ibef.org/industry/engineering-india.aspx>

#### ♦ Indian Economic Overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (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, the largest economy of the region, is estimated to have grown 7.2 percent in fiscal year 2018/19, which ended March 31.

#### MARKET SIZE

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

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\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

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

#### 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's revenue receipts are estimated to touch Rs. 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetization and Goods and Services Tax (GST).

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 behaviour 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 and General elections held in May 2019

Important reforms have been implemented in recent years. This includes the inflation targeting monetary policy framework, the Insolvency and Bankruptcy code (IBC), the goods and services tax (GST), and steps to liberalize foreign direct investment (FDI) flows and the ease of doing business. A further deepening and broadening of structural reforms is needed to raise investment, job growth, and productivity over the medium term, to spur India's catch up with advanced economies and create jobs needed for India's young and growing labor force. The priorities should be to enhance several important recently implemented reforms—e.g., further steps on financial sector reforms and simplifying and streamlining the GST—combined with a vigorous push for labor, land, and product market reforms. Source: IMF Country Report No. 18/254 August 2018

Against this background, government policies have shifted mainly to accelerating implementation of ongoing reforms rather than initiating new ones; although there was no such material reason second half of the year under review faced instability due to upcoming elections 2019 and in the coming months the budget 2019-20 pressures further added to it. However, Election 2019 results has come up with stable Government at Centre which is a positive sign and we believe this stability shall take India gradually towards developed Nation from developing Nation in years to come under the leadership of present Government at Centre.

Financial markets were generally robust through early 2018—especially equities. Market sentiment, however, has deteriorated in recent months, in line with increased global volatility. In recent months, yields have been particularly volatile given countervailing forces—announcements regarding the debt issuance calendar for the new fiscal year showing back loaded issuance and easing foreign investment limits for borrowings have been more than offset by global factors, including rising U.S. interest rates and higher oil prices. Source: IMF Country Report No. 18/254 August 2018

#### ♦ Interest Rates and Inflation

The strengthening of the US dollar had weakened gold prices; however, prices picked up since the last week of May on escalating trade tensions, reviving its demand as a safe haven asset. On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting decided to reduce the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 5.75 per cent from 6.0 per cent with immediate effect. Consequently, the reverse repo rate under the LAF stands adjusted to 5.50 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 6.0 per cent.

Source: [https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=47225](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=47225)

Inflation remains below target in several economies, though it has shown an uptick since March. India's inflation rate has been on the rise over the last decade. However, it has been decreasing slightly since 2010. India's economy, however, has been doing quite well, with its GDP increasing steadily for years, and its national debt decreasing. Source: <https://www.statista.com/statistics/271322/inflation-rate-in-india/>



### India : Inflation rate from 2014 to 2024 (compared to the previous year)



**Additional Information**  
India : IMP

Source: <https://www.statista.com/statistics/271322/inflation-rate-in-india/>

#### ◆ Our Industry

Our industry is mainly dependent on automobile and auto ancillary industries however due to privatisation of defence and addition of new customer base to our existing customer base our growth is consequently linked to the future of these industries which is bright as of now. Brief outlook of automobile industry and Auto component industry, Electrical and fittings, Defence and aerospace industry (Engineering and Capital Goods Industry) together representing as “Our Industry” forms part of this report under “Outlook of Industry”.

#### Outlook of Industry

In the privilege of the above factors, which present win-win scenario for the overall economy, we are confident that the “Our Industry” in India will continue to do well and will have a sustained performance and is expected to see increase during FY19-20.

#### ◆ 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. 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. Automobile exports grew 15.54 per cent during April 2018-February 2019. It is expected to grow at a CAGR of 3.05 per cent during 2016-2026. 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. During April 2018-January 2019, automobile production increased 9.84 per cent year-on-year to reach 26.26 million vehicle units.

Source: <https://www.ibef.org/industry/india-automobiles.aspx>

#### ◆ Auto Component Market

The Indian auto-components industry has experienced healthy growth over the last few years. The auto-component industry of India has expanded by 18.3 per cent to reach at a level of US\$ 51.2 billion in FY 2017-18.

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.

#### ◆ Indian Defence Exports

India's defence exports have more than doubled to nearly Rs 11,000 crore on the back of recent policy liberalisation and access to the US market, given a large amount of offsets being executed by domestic companies.

The increase in defence exports to Rs 10,745 crore in 2018-19, from Rs 4,682 crore in 2017-18, is expected to move up exponentially. Going forward this momentum is likely to continue and this will be helping cutting tool industry as well.

#### ◆ Aero space components

India is fast emerging as a manufacturing hub for various aero space components and going forward it is expected that this sector will also expand well in India thereby opening new avenues for the company.

#### 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. Company has expanded its capacity and is now fully ready to cater to new customers and also meet additional requirements which may come up from the sectors explained above. Company is regularly trying to get new 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 IMTEX 2019 Bangalore international exhibition Centre (BIEC), Bangalore January 24-30, 2019. 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.

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. Other areas of opportunities explained above like electrical fittings, defense sector, aero space, etc., are all growing very fast in India and we expect full benefits of growth from these sectors also.

Since auto sector is still our main market any down fall in the auto sector is likely to affect our industry. Also imports of cutting tools from China may pose a threat in some segments of our industry. 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.

Further, clear cut policy of Government of India on E-vehicles is awaited. Once the policy is declared on this, we will have to review the total impact it will have on various cutting tools being manufactured by us.

### 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 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 ₹ 64.18 crores was recorded in the financial year ended March 31, 2018 as against revenue of ₹ 53.89 crores in the previous year, with a growth of 19.09%.

#### ◆ Profits

The company has earned Profit before depreciation, Interest and Taxes (PBDIT) of ₹ 9.66 crores during the financial year under review over the previous financial year's PBDIT of ₹ 21.89 crores. The profit after tax for the financial Year 2018-19 was ₹ 5.27 crores as against profit after tax of ₹ 19.89 crores for the financial year 2017-18.

#### ◆ Earnings per share (EPS)

The basic and diluted EPS of ₹ 10 paid up share are ₹ 4.94 and ₹ 4.94 respectively for the financial year ended March 31, 2019. The previous year's basic and diluted EPS of ₹ 10 paid up share is ₹ 111.82 and ₹ 111.82 respectively.

#### ◆ Dividend

Your Board of Directors is pleased to recommend final dividend of ₹0.50 per equity share, on 10671300 total outstanding equity shares of ₹10/- each, amounting to ₹ 53, 35,650/- in respect of the financial year 2017-18 as against 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.

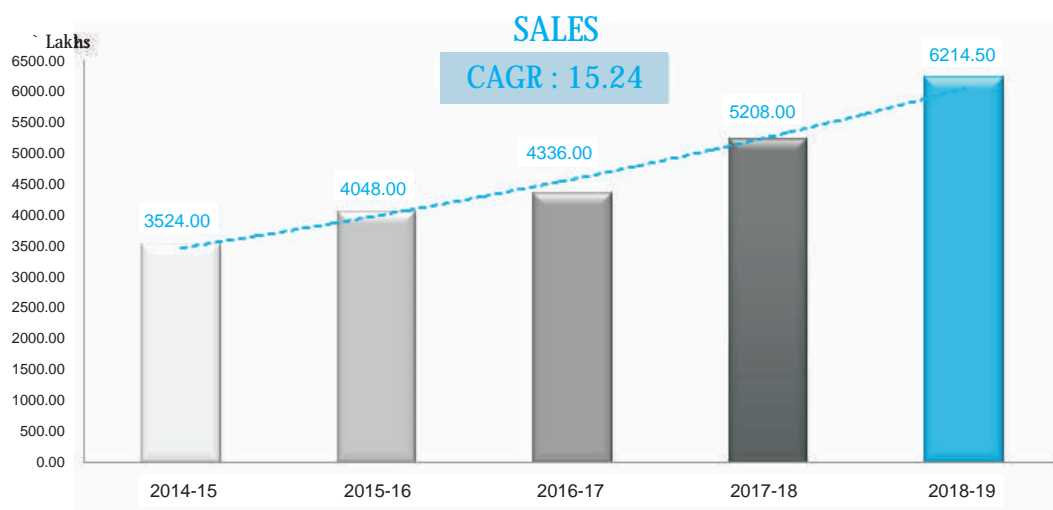
#### ◆ Reserves and Surplus

The Reserves and Surplus of the Company as on 31st March 2019 stood at ₹ 97.88 crores as against ₹ 102.15 crores in the previous financial year.

#### ◆ Net worth

As on March 31, 2019, the Net worth of the company stands at ₹108.55 crores as against ₹103.93 crores in the previous financial year.





### 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, 2019, 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, 2019, 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially

misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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: 27/05/2019

For and on Behalf of  
**M/S P.S. THAKARE & CO.**  
Chartered Accountants  
FRN: 128572W

 **B. S. Thakare**  
Partner  
Membership No. 127522

## Annexure – A - To The Independent Auditor's Report

The annexure referred to in our independent auditor's report to the members of Emkay Taps And Cutting Tools Limited ("the Company"), on the Financial Statements for the period ended 31st March 2019, 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 31st March 2019 for a period more than six months from the date of becoming payable.
- b) The Company has no disputed statutory dues pending to be deposited as on 31st March 2019 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.

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.

xiii. 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. However 8892750 bonus equity shares of Rs. 10/- were issued and allotted to the existing shareholders on September 27, 2018.

xiv. 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

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

xvi. 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.

xvii. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Nagpur

Date: 27/05/2019

For and on Behalf of  
**M/S P.S. THAKARE & CO.**  
Chartered Accountants  
FRN: 128572W

 **B. S. Thakare**  
Partner

Membership No. 127522



## 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, 2019 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.

Place: Nagpur

Date: 27/05/2019

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, 2019, 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.

For and on Behalf of  
**M/S P.S. THAKARE & CO.**  
Chartered Accountants  
FRN: 128572W

 **B. S. Thakare**  
Partner  
Membership No. 127522


## Balance Sheet as on 31<sup>st</sup> March 2019

PARTICULARS	Note. No.	Figures as at the end of 31 <sup>st</sup> March 2019	Figures as at the end of 31 <sup>st</sup> March 2018
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	4	106,713,000.00	17,785,500.00
(b) Reserves And Surplus	5	978,799,979.38	1,021,481,374.41
(2) Share Application Money Pending Allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	6	140,765.00	6,958,477.00
(b) Deferred Tax Liabilities (Net)	7	14,104,668.00	15,177,675.00
(4) Current Liabilities			
(a) Short-Term Borrowings	8	28,535,256.60	35,773,679.47
(b) Trade Payables	9	41,698,014.86	42,697,256.96
(c) Other Current Liabilities	10	28,714,767.94	36,490,603.72
(d) Short-Term Provisions	11	8,057,858.00	2,109,904.00
<b>Total :</b>		<b>1,206,764,309.78</b>	<b>1,178,474,470.56</b>
<b>II. ASSETS</b>			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	171,142,597.60	169,887,468.81
(ii) Intangible assets			
(iii) Capital work-in-progress		14,437,318.76	-
(iv) Intangible assets under development			
(b) Non-Current Investments	13	650,418,616.91	707,982,185.90
(c) Deferred tax assets (net)			
(d) Long term loans and advances	14	1,515,244.00	1,460,944.00
(e) Other non-current assets	15	651,051.00	1,302,100.00
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	164,101,136.07	122,596,003.35
(c) Trade Receivables	17	165,088,246.49	151,305,811.15
(d) Cash And Cash Equivalents	18	14,097,454.17	11,961,052.68
(e) Short-Term Loans And Advances	19	18,892,214.24	5,466,702.64
(f) Other Current Assets	20	6,420,430.54	6,512,202.03
<b>Total :</b>		<b>1,206,764,309.78</b>	<b>1,178,474,470.56</b>
		-	-
<b>Cash Flow Statement</b>		Note 1	
<b>Significant Accounting Policies</b>		Note 2 & 3	
<b>Notes forming Part of Balance Sheet</b>		Note 1 to 45	

For Emkay Taps And Cutting Tools Ltd.


 **Ajayprakash Kanoria**  
Chairman & Managing  
Director  
DIN No : 00041279

 **Shruti Sohane**  
Company Secretary

 **Mrs. Alka Kanoria**  
Whole time Director  
DIN No : 00041346

 **V.K Sontakke**  
Chief Finance Officer

As Per My Report of Even Date Attached  
For **M/s P.S. Thakare & Company**  
Chartered Accountant  
FRN 128572W

 **B.S. Thakare**  
Partner  
Mem. No. 127522

Place : Nagpur  
Dated : 27/05/2019




## Profit and Loss Account for the Year Ended 31<sup>st</sup> March 2019

PARTICULARS	Note No.	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
I. Revenue From Operations	21	641,829,204.69	538,868,302.91
II. Other Income	22	(125,838,386.99)	62,070,426.04
III. <b>Total Revenue</b>		<b>515,990,817.70</b>	<b>600,938,728.95</b>
IV. Expenses			
(a) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(3,823,342.96)	(6,453,893.66)
(b) Cost of Raw Material Consumed	24	91,759,954.35	80,531,083.11
(c) Cost of Stores Consumed	25	19,160,078.71	20,358,975.28
(d) Cost of Packing Material Consumed	26	4,676,122.90	3,841,258.50
(e) Cost of Trading Goods Consumed	27	158,548.56	23,611.44
(f) Manufacturing Expenses	28	155,983,353.17	129,305,232.46
(g) Windmill Expenses	29	3,775,431.00	3,606,957.53
(h) Shares Expenses	30	1,274,129.65	634,981.11
(i) Employee Benefit Expenses	31	43,768,966.96	37,208,553.64
(j) Administration Expenses	32	26,509,987.27	30,687,997.18
(k) Selling & Distribution Expenses	33	12,731,632.31	10,787,662.60
(l) Finance Costs	34	2,427,364.00	4,063,497.37
(m) Depreciation And Amortization Expenses	35	29,281,766.81	31,643,043.24
<b>Total Expenses :</b>		<b>387,683,992.73</b>	<b>346,238,959.80</b>
V. Profit Before Exceptional And Extraordinary Items And Tax	[III - IV]	128,306,824.97	254,699,769.15
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items And Tax	[V - VI]	128,306,824.97	254,699,769.15
VIII. Extraordinary Items		-	-
IX. Profit Before Tax	[VII - VIII]	128,306,824.97	254,699,769.15
X. Tax Expenses :			
(a) Income Tax	36	76,701,317.00	58,814,122.00
(b) Deferred Tax		(1,073,007.00)	(2,998,839.00)
XI. Profit / (Loss) From The Period From Continuing Operations	[IX - X]	52,678,514.97	198,884,486.15
XII. Profit / (Loss) From Discontinuing Operations		-	-
XIII. Tax Expense of Discounting Operations		-	-
XIV. Profit / (Loss) From Discontinuing Operations After Tax	[XII - XIII]	-	-
<b>XV Profit / (Loss) For The Period</b>	<b>[XI + XIV]</b>	<b>52,678,514.97</b>	<b>198,884,486.15</b>
XVI Earning per equity share :	37		
(1) Basic		4.94	111.82
(2) Diluted		4.94	111.82

For Emkay Taps And Cutting Tools Ltd.

 **Ajayprakash Kanoria**  
Chairman & Managing  
Director  
DIN No : 00041279

 **Shruti Sohane**  
Company Secretary

 **Mrs. Alka Kanoria**  
Whole time Director  
DIN No : 00041346

 **V.K Sontakke**  
Chief Finance Officer

As Per My Report of Even Date Attached  
For **M/s P.S. Thakare & Company**  
Chartered Accountant  
FRN 128572W

 **B.S. Thakare**  
Partner  
Mem. No. 127522

Place : Nagpur  
Dated : 27/05/2019


**Note 1**
**Emkay Taps And Cutting Tools Ltd.**
**Statement of Cash Flow**

Particulars	For the year ended	
	31.03.2019	31.03.2018
<b>Cash Flow From Operating Activities:</b>		
Profit before tax	128,306,824.97	254,699,769.15
Adjustment for:		
Depreciation & Amortisation Expenses	29,281,766.81	31,643,043.24
Interest Paid	2,427,364.00	4,063,497.37
Interest Received / Other Non Operative Receipt ( Dividend Received )	125,838,386.99	(62,070,426.04)
<b>Operating Profit before Working Capital Changes</b>	<b>285,854,342.77</b>	<b>228,335,883.72</b>
Movement in working capital		
Decrease / (Increase) in inventories	(41,505,132.72)	7,734,742.49
Decrease / (Increase) in trade receivable	(13,782,435.34)	(18,056,449.79)
Decrease / (Increase) in short term loans & advances	(13,425,511.60)	5,535,510.59
Decrease / (Increase) in other current assets	91,771.49	4,658,261.05
Increase / (Decrease) in trade payable	(999,242.10)	19,742,605.35
Increase / (Decrease) in other current liabilities	(7,775,835.78)	11,243,258.93
Increase / (Decrease) in short term provisions	360,322.00	513,521.00
<b>Cash Generated from Operation</b>	<b>208,818,278.72</b>	<b>259,707,333.34</b>
Taxes Paid (Net of Refunds)	(71,113,685.00)	(67,632,723.00)
<b>Net Cash from Operating Activities</b>	<b>137,704,593.72</b>	<b>192,074,610.34</b>
<b>Cash Flow Used In Investing Activities:</b>		
Fixed Asset Purchased (Net)	(44,323,165.36)	(14,057,616.25)
Interest Received / Other Non Operative Receipt	(125,838,386.99)	62,188,939.04
Adjustment for:		
Long Term Loan & Advances	(54,300.00)	1,259,914.00
Non Current Investments	57,563,568.99	(222,454,249.64)
Other Non Current Assets	-	-
Acquisition / Subscription / Investment in Subsidiaries / Associates		
Advances to parties		
<b>Net Cash flow used in Investing Activities</b>	<b>(112,652,283.36)</b>	<b>(173,063,012.85)</b>
<b>Cash Flow From Financing Activities:</b>		
Payment on Buy Back of Share Capital	-	-
Proceeds from Short term borrowings	(7,238,422.87)	2,951,864.63
Proceeds from Long term borrowings	(6,817,712.00)	(11,267,832.00)
Payment of Dividend and tax on it	(6,432,410.00)	(4,281,243.00)
Interest paid	(2,427,364.00)	(4,063,497.37)
<b>Net Cash flow from Financing Activities</b>	<b>(22,915,908.87)</b>	<b>(16,660,707.74)</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	2,136,401.49	2,350,889.75
Cash & Cash Equivalents at the beginning of the year	11,961,052.68	9,610,162.93
Cash & Cash Equivalents at the end of the year	14,097,454.17	11,961,052.68

**Notes:-**

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

For **Emkay Taps And Cutting Tools Ltd.**
 **Ajayprakash Kanoria**  
Chairman & Managing  
Director  
DIN No : 00041279

 **Mrs. Alka Kanoria**  
Whole time Director  
DIN No : 00041346

As Per My Report of Even Date Attached  
For **M/s P.S. Thakare & Company**  
Chartered Accountant  
FRN 128572W

 **Shruti Sohane**  
Company Secretary

 **V.K Sontakke**  
Chief Finance Officer

 **B.S. Thakare**  
Partner

Mem. No. 127522

Place : Nagpur  
Dated : 27/05/2019

## 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	<b>SIGNIFICANT ACCOUNTING POLICIES :</b>
3.1	<p>Basis of accounting and preparation of financial statements</p> <p>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 .</p>
3.2	<p>Use of estimates</p> <p>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.</p>
3.3	<p>Depreciation and amortisation</p> <p>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.</p> <p>In respect of additions/extensions forming integral part of existing assets &amp; adjustments to Fixed Assets on account of exchange difference, if any, depreciation has been provided over residual life of the respective fixed assets.</p> <p>Leasehold Land, if any, has been amortised over the period of lease.</p>
3.4	<p>Revenue recognition</p> <p>Income &amp; 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.</p>
3.5	<p>Tangible fixed assets</p> <p>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.</p>
3.6	<p>Earnings per share</p> <p>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.</p>
3.7	<p>Taxes on income</p> <p>"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."</p>

Note	Particulars
3.8	<p><b>Investment</b></p> <p>Current Investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term investments are carried at cost. Provision for diminution in the value of Long Term Investments is made only if; such a decline is other than temporary.</p>
3.9	<p><b>Inventory</b></p> <p>The inventories, i.e. Raw Materials, Stores and spares, Finished Goods etc. have been value at lower of cost or net realisable value. Cost of Inventories comprises of all costs of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. The cost of raw Material and Stores &amp; Spares is determined at Weighted Average Cost basis. By-products are valued at Net Realisable value. The cost of work in progress and finished stock is determined on the absorption costing method. The value of Finished Goods includes Excise Duty wherever applicable.</p>
3.10	<p><b>Employee Benefits</b></p> <p>The Company makes contribution towards Provident Fund and ESIC to a defined contribution retirement benefit plan for qualifying employees. The provident plan is operated is operated partly by Regional Provident Fund Commissioners and partly by an independent Trust, ESIC by GOVERNMENT agencies. Under the said schemes the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit schemes to the fund benefits.</p> <p>Short Term Employee Benefits are recognized as an expense in the year in which the related service is rendered at the undiscounted amount in the statement of Profit and Loss.</p> <p>During the Period, the company has recognised Rs. 11,30,484/- for Provident Fund contribution, Rs. 2,59,223/- for ESIC. The Contributions payable to these plans by the Company are at the rates specified in the rules of the Schemes.</p>
3.11	<p><b>Cash Flow Statements :</b></p> <p>The Cash Flow Statement of the Company has been prepared as per Accounting Standard - 3 : "Statement of Cash Flow" as prescribed by the Institute of Chartered Accountants of India using the Indirect Method.</p>
3.12	<p><b>Impairment of assets</b></p> <p>An impairment loss is recognized wherever the carrying amount of fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.</p>
3.13	<p><b>Segment Reporting</b></p> <p>The segment reporting of the Company as prepared in the Notes to Accounts of the Company has been prepared in accordance with the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. For the purpose of Reporting the Company has Two (2) segments as mentioned below which are considered as primary segments based on Business undertaken by the Company.</p> <p>Segment A : Manufacturing of Taps &amp; Cutting Tools</p> <p>Segment B : Production of Power through Windmill</p>
3.14	<p><b>Provisions and contingencies</b></p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. The Accounting Standard - 29 issued has been duly followed while preparing the Balance Sheet for the year ended on 31st March 2019.</p>

## Note Forming Part of Balance Sheet as on 31<sup>st</sup> March, 2019

PARTICULARS		Figures as at the end of 31 <sup>st</sup> March 2019		Figures as at the end of 31 <sup>st</sup> March 2018
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### Note 4

#### SHARE CAPITAL

Authorised 1,20,00,000 Share of Rs. 10/- Each		120,000,000.00		20,000,000.00
Issued and Subscribed 1,06,71,300 Shares of Rs. 10/- Each Fully Paid Up		106,713,000.00		17,785,500.00
Paid Up 1,06,71,300 Shares of Rs. 10/- Each Fully Paid Up		106,713,000.00		17,785,500.00
<b>TOTAL :</b>		<b>106,713,000.00</b>		<b>17,785,500.00</b>

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

	Year Ended 31st March 2019		Year Ended 31st March 2018	
	No. of Share	In ₹	No. of Share	In ₹
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	8892750.00	88,927,500.00	-	-
Less : Buy Back during the year	-	-	-	-
Number of shares at the end of the year	10671300.00	106,713,000.00	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 ₹ 10/- per share. Each Shareholder is eligible for one vote per share held. In an event of liquidation of the company, the equity shareholders will be entitle to receive any of the remaining assets of the Company, after distribution of all preferential amounts. the distribution will be in the proportion to the number of equity shares held by the shareholder.

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

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

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

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

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

	Year Ended 31st March 2019		Year Ended 31st March 2018	
	No. of Share	% Holding	No. of Share	% Holding
1. Ajayprakash Kanoria (HUF)	4622160	43.31%	770360	43.31%
2. Alka Ajayprakash Kanoria	1124190	10.53%	187365	10.53%
3. Nagpur Tools Pvt. Ltd.	1591200	14.91%	265200	14.91%
4. Ajayprakash Kanoria	614250	5.76%	102375	5.76%
5. Sudarshan Trading & Manufacturing Pvt. Ltd.	1034400	9.69%	166800	9.38%

**Note 5**  
**RESERVE AND SURPLUS :**

Particulars		Figures as on the end of 31 <sup>st</sup> March 2019		Figures as on the end of 31 <sup>st</sup> March 2018
<b>Share Premium Account</b>				
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
<b>Sicom Capital Incentive Reserve</b>				
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
<b>D.C.V.L. Subsidy</b>				
Balance as per last Balance Sheet	970,900.00		970,900.00	
Add : Addition during the year	-	970,900.00	-	970,900.00
<b>* Industrial Promotion Subsidy (From Govt. of Maharashtra under Package Scheme) "</b>				
Balance as per last Balance Sheet	11,721,030.00		11,721,030.00	
Add : Addition during the year	-	11,721,030.00	-	11,721,030.00
<b>Profit &amp; Loss Account</b>				
Balance as per last Balance Sheet	963,773,664.41		769,051,908.26	
Add : Profit During the year	52,678,514.97		198,884,486.15	
Add : Last Year Short Provision of Interest Received	-		118,513.00	
Less : Bonus Issue	88,927,500.00		-	
Less : Dividend Paid	5,335,650.00		3,557,100.00	
Less : Tax on Dividend	1,096,760.00	921,092,269.38	724,143.00	963,773,664.41
<b>Total :</b>		<b>978,799,979.38</b>		<b>1,021,481,374.41</b>

**Note 6**  
**LONG TERM BORROWINGS :**

<b>Secured Loans</b>				
a) ICICI Bank Term Loan	-	-	6,817,712.00	6,817,712.00
(Secured against Equitable mortgage of Building and Plant & Machinery )				
<b>Unsecured Loans</b>				
From Banks	-		-	
From Others	140,765.00	140,765.00	140,765.00	140,765.00
<b>Total :</b>		<b>140,765.00</b>		<b>6,958,477.00</b>

**Note 7**  
**DEFERRED TAX LIABILITIES**

<b>Liabilities arising out of Fixed Assets</b>				
Balance as per Last Balance Sheet	15,177,675.00		18,176,514.00	
Asset Created During the Year	1,073,007.00	14,104,668.00	2,998,839.00	15,177,675.00
<b>Total :</b>		<b>14,104,668.00</b>		<b>15,177,675.00</b>



**Note 8**
**SHORT TERM BORROWINGS :**

ICICI Bank Ltd :	20,093,918.60		16,290,167.47	
Cash Credit Account No. : 624251000017 (Secured Against Hypothecation of Entire Current Assets including Inventory, book debts & Receivable)				
ICICI Bank Ltd :	8,441,338.00		19,483,512.00	
Current Maturity of Long Term Loan due within 12 months (Secured against Equitable mortgage of Building and Plant & Machinery )		- 28,535,256.60	-	35,773,679.47
<b>Total :</b>		<b>28,535,256.60</b>		<b>35,773,679.47</b>

**Note 9**
**TRADE PAYABLES :**

Due to :				
Micro and Small Enterprises	1,315,925.01		732,321.45	
Other Payables	28,552,286.63		31,936,017.51	
Related Party	11,829,803.22	41,698,014.86	10,028,918.00	42,697,256.96
<b>Total :</b>		<b>41,698,014.86</b>		<b>42,697,256.96</b>

**Note 10**
**OTHER CURRENT LIABILITIES :**

Deposits & Advances Received	501,176.68		3,772,907.13	
Liability For Expenses	16,816,509.91		20,893,356.44	
Statutory Liabilities	8,923,865.54		9,357,638.02	
Other Credit Balances	2,473,215.81	28,714,767.94	2,466,702.13	36,490,603.72
<b>Total :</b>		<b>28,714,767.94</b>		<b>36,490,603.72</b>

**Note 11**
**SHORT TERM PROVISIONS :**

For Employee Benefits	1,905,909.00		1,835,553.00	
For Others	6,151,949.00	8,057,858.00	274,351.00	2,109,904.00
<b>Total :</b>		<b>8,057,858.00</b>		<b>2,109,904.00</b>

**Note 12**  
**FIXED ASSES (TANGIBLE)**

PARTICULARS	RATE OF DEP.	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		BALANCE AS ON 01-04-2018	ADDITION DURING THE YEAR	SALE/ TRANSFER DURING THE YEAR	BALANCE AS ON 31-03-2019	BALANCE AS ON 01-04-2018	DEPRECIATION DURING THE YEAR	DEPRECIATION REVERSED	BALANCE AS ON 31-03-2019	BALANCE AS ON 31-03-2018
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%	16,472,997.34	-	-	16,472,997.34	8,008,747.81	804,103.70	-	8,812,851.51	7,660,145.83
Building No. 2	9.50%	3,833,547.56	-	-	3,833,547.56	2,474,792.98	129,081.68	-	2,603,874.66	1,229,672.90
Furniture & Fixture	25.89%	1,985,573.60	6,593.26	-	1,992,166.86	1,600,917.27	80,488.21	-	1,681,405.48	310,761.38
Mobile Phone	63.16%	535,901.08	42,092.92	-	577,994.00	480,325.62	25,162.95	-	505,488.57	72,505.43
Office Equipments	45.07%	1,861,841.47	218,028.61	-	2,079,870.08	1,711,197.18	52,166.43	-	1,763,363.61	316,506.47
Plant & Machinery	18.10%	232,226,041.08	23,207,840.86	-	255,433,881.94	129,389,906.82	19,586,051.05	-	148,975,957.87	106,457,924.07
Generator	18.10%	897,150.00	-	-	897,150.00	852,292.50	-	-	852,292.50	44,857.50
Compressors	18.10%	1,440,864.41	747,540.00	-	2,188,404.41	1,050,378.27	193,286.02	-	1,243,664.29	944,740.12
Transformers	18.10%	244,000.00	572,008.40	-	816,008.40	53,713.88	70,900.50	-	124,614.38	691,394.02
Transport Trolleys	18.10%	61,830.00	-	-	61,830.00	21,218.26	7,350.72	-	28,568.98	33,261.02
Coolant Tower (L-6)	18.10%	-	812,499.79	-	812,499.79	-	402.91	-	402.91	812,096.88
Air Conditioners	18.10%	1,750,237.63	42,532.00	-	1,792,769.63	1,319,661.98	76,970.88	-	1,396,632.86	396,136.77
Computers	63.16%	4,708,322.67	240,654.17	-	4,948,976.84	4,203,232.41	279,720.86	-	4,482,953.27	466,023.57
Computer Software	63.16%	600,236.96	-	-	600,236.96	568,799.44	1,223.74	-	570,023.18	30,213.78
Inspection Equipments	18.10%	3,910,651.24	265,000.00	-	3,575,651.24	2,082,939.93	262,585.55	-	2,345,525.48	1,230,125.76
Electricals Installations	25.89%	1,540,286.97	1,073,470.12	-	2,613,757.09	1,448,552.01	171,917.27	-	1,620,469.28	993,287.81
Fax Machine	18.10%	108,046.00	-	-	108,046.00	102,469.17	174.53	-	102,643.70	5,402.30
Pollution Control Equipment	18.10%	853,106.34	-	-	853,106.34	763,833.94	16,158.31	-	779,992.25	73,114.09
Motor Car	31.23%	10,550,947.12	2,719,780.00	830,306.00	12,440,421.12	7,384,245.75	1,312,757.50	768,112.47	7,928,890.78	4,511,530.34
Motor Cycle	25.89%	197,745.00	-	-	197,745.00	128,444.51	17,941.90	-	146,386.41	51,358.59
TOTAL (A) :		285,296,036.47	29,948,040.13	830,306.00	314,413,770.60	163,645,669.73	23,088,444.71	768,112.47	185,966,001.97	128,447,768.63
WIND MILL DIVISION :										
Wind Mill [Mysore]	12.73%	61,290,546.00	-	-	61,290,546.00	45,601,741.47	1,997,184.82	-	47,598,926.29	13,691,619.71
Wind Mill 2 [Rajasthan]	12.73%	82,800,000.00	-	-	82,800,000.00	54,951,702.46	3,545,088.28	-	58,496,790.74	24,303,209.26
Lease Hold Land	0.00%	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
TOTAL (B) :		148,790,546.00	-	-	148,790,546.00	100,553,443.93	5,542,273.10	-	106,095,717.03	42,694,828.97
TOTAL (A+B) :		434,086,582.47	29,948,040.13	830,306.00	463,204,316.60	264,199,113.66	28,630,717.81	768,112.47	292,061,719.00	171,142,597.60
PREVIOUS YEAR :		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

**Note 13**
**NON-CURRENT INVESTMENTS :**

a)	In Mutual Funds	278,535,609.78		192,269,994.74	
b)	In Quoted Equity Shares	365,081,316.04		507,904,498.16	
c)	In Unquoted Equity Shares	979,205.00		979,205.00	
d)	In Fixed Deposit Receipts	5,822,486.09	650,418,616.91	6,828,488.00	707,982,185.90
<b>TOTAL :</b>			<b>650,418,616.91</b>		<b>707,982,185.90</b>

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

**Note - 14**
**LONG TERM LOANS AND ADVANCES**

(Advances recoverable in cash or in kind or for value to be received)

a)	Capital Advances (Unsecured and considered good)	22,000.00		22,000.00	
b)	Security Deposits	1,493,244.00		1,438,944.00	
c)	Other Loans & Advances	-	1,515,244.00	-	1,460,944.00
<b>TOTAL :</b>			<b>1,515,244.00</b>		<b>1,460,944.00</b>

**Note - 15**
**OTHER NON CURRENT ASSETS**

(Miscellaneous Expenses to the extent not written off)

a)	Listing Expenses		651,051.00		1,302,100.00
<b>TOTAL :</b>			<b>651,051.00</b>		<b>1,302,100.00</b>

**Note - 16**
**INVENTORIES :**

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

	Raw Material	77,180,911.20		39,075,493.00	
	Consumable Stores	2,475,384.83		2,885,193.55	
	Work In Progress	7,200,409.04		6,402,566.96	
	Finished Goods	77,066,956.00		73,814,130.12	
	Trading Goods	1,600.00		15,419.72	
	Scrap Material (At Estimated Realisable Value)	175,875.00	164,101,136.07	403,200.00	122,596,003.35
<b>TOTAL :</b>			<b>164,101,136.07</b>		<b>122,596,003.35</b>

**Note 17**
**TRADE RECEIVABLES :**

Outstanding for more than 6 months

a)	Secured & Considered Good	-		-	
b)	Unsecured & Considered Good	12,034,614.07		6,787,104.66	
c)	Considered Doubtful	-	12,034,614.07	-	6,787,104.66

Others

a)	Secured & Considered Good	-		-	
b)	Unsecured & Considered Good	153,053,632.42		144,518,706.49	
c)	Considered Doubtful	-	153,053,632.42	-	144,518,706.49
<b>TOTAL :</b>			<b>165,088,246.49</b>		<b>151,305,811.15</b>

**Note 19**
**SHORT TERM LOANS AND ADVANCES :**

Advances with the Suppliers	16,386,384.71		2,638,861.76	
Loans & Advances to Staff	1,509,902.00		1,275,829.00	
Other Advances	995,927.53	18,892,214.24	1,552,011.88	5,466,702.64
<b>TOTAL :</b>		<b>18,892,214.24</b>		<b>5,466,702.64</b>

**Note 20**
**OTHER CURRENT ASSETS :**

Advances with Revenue Authorities	5,983,901.54		5,968,732.60	
Other Debit Balances	436,529.00	6,420,430.54	543,469.43	6,512,202.03
<b>TOTAL :</b>		<b>6,420,430.54</b>		<b>6,512,202.03</b>

**Note 21**
**REVENUE FROM OPERATIONS :**

<b>1. Domestic Sale</b>				
Sale of Taps & Tools				
a) Sales	735,287,002.20		620,939,602.53	
b) Deemed Export Sales (SEZ)	3,420,067.00		3,903,770.08	
<b>Total:-</b>	<b>738,707,069.20</b>		<b>624,843,372.61</b>	
Less : CGST Receipts	20,831,053.40		14,299,039.40	
: SGST Receipts	20,831,053.40		14,299,039.40	
: IGST Receipts	70,500,292.59		47,080,020.69	
: Excise & Education Cess	-		12,547,504.00	
: VAT Receipts	-		5,042,634.00	
: CST Receipts	-		1,598,533.00	
: Discount & Rate Difference	10,057,368.19		9,994,015.32	
: Sales Return	4,104,490.81	612,382,810.81	2,764,287.44	517,218,299.36
<b>2. Export Sale</b>				
a) Sale of Taps & Tools	8,897,211.00	8,897,211.00	3,554,753.00	3,554,753.00
<b>3. Trading Sale</b>				
a) Sale of Taps & Tools	212,268.00		37,854.00	
Less : CGST, SGST & IGST	32,380.02	179,887.98	5,774.40	32,079.60
<b>4. Scrap Sale</b>				
a) Scrap Sale	6,127,753.76		6,002,198.77	
<b>Total:-</b>	<b>6,127,753.76</b>		<b>6,002,198.77</b>	
Less : CGST, SGST, IGST & TCS	978,381.66		950,299.10	
Less : Excise, Education Cess, VAT, CST & TCS	-	5,149,372.10	2,904.72	5,048,994.95
<b>5. Scrap Sale (Miscellaneous)</b>				
a) Misc. Scrap Sale	101,171.00		129,384.00	
<b>Total:-</b>	<b>101,171.00</b>		<b>129,384.00</b>	
Less : CGST, SGST, IGST & TCS	5,727.00		2,161.00	
Less : VAT & TCS	-	95,444.00	6,635.00	120,588.00
<b>6. Power Generation Unit Sale</b>				
Power Generation Unit Sale	13,340,381.00		12,923,165.00	
Less : Discount	162,917.50	13,177,463.50	125,777.00	12,797,388.00
<b>7. Sales of Raw Material</b>		<b>1,812,700.00</b>		<b>-</b>
<b>8. Job Work Receipts</b>		<b>134,315.30</b>		<b>96,200.00</b>
<b>TOTAL :</b>		<b>641,829,204.69</b>		<b>538,868,302.91</b>

**Note 22**
**OTHER INCOME :**

Dividend Received		8,711,575.00		6,013,786.41
Duty Draw Back Receipts		683.00		-
Exchange Rate Fluctuation		1,489,773.97		133,370.01
F.D.R. Interest Received		494,343.00		316,116.00
Interest Received		90,196.00		110,408.00
Profit on Sale of Motor Car		273,876.47		76,209.63
Sales Tax / Service Tax Refund		36,429.00		620,068.00
Short Term Capital Gain	157,081.20		6,060,215.98	
Less : Short Term Capital Loss	130,574,638.11	(130,417,556.91)	-	6,060,215.98
Long Term Capital Gain	31,860,268.23		54,451,232.00	
Less : Long Term Capital Loss	54,803,564.60	(22,943,296.37)	5,742,109.20	48,709,122.80
Short Term Gain on Mutual Fund	617,138.48		31,129.21	
Less : Short Term Loss on Mutual Fund	-	617,138.48		31,129.21
Long Term Gain on Mutual Fund	15,808,451.37		-	
Less : Long Term Loss on Mutual Fund	-	15,808,451.37	-	-
<b>TOTAL :</b>		<b>(125,838,386.99)</b>		<b>62,070,426.04</b>

**Note 23**
**CHANGES IN INVENTORY :**

<b>1. Finished Goods :</b>				
Opening stock	73,814,130.12		66,668,196.98	
Less : Closing stock	77,066,956.00	(3,252,825.88)	73,814,130.12	(7,145,933.14)
<b>2. Work-In-Progress :</b>				
Opening stock	6,402,566.96		6,195,001.44	
Less : Closing stock	7,200,409.04	(797,842.08)	6,402,566.96	(207,565.52)
<b>3. Scrap Material :</b>				
Opening stock	403,200.00		1,302,805.00	
Less : Closing stock	175,875.00	227,325.00	403,200.00	899,605.00
<b>TOTAL :</b>		<b>(3,823,342.96)</b>		<b>(6,453,893.66)</b>

**Note 24**
**COST OF RAW MATERIAL CONSUMED :**

Opening Stock	39,075,493.00		52,163,067.82	
Add : Purchase of Raw Material	128,195,870.90		66,186,455.81	
Add : Purchase of HSS Taps	1,669,501.65		1,257,052.48	
	168,940,865.55		119,606,576.11	
Less : Closing Stock of Raw Material	77,180,911.20	91,759,954.35	39,075,493.00	80,531,083.11
<b>TOTAL :</b>		<b>91,759,954.35</b>		<b>80,531,083.11</b>

**Note 25**
**COST OF STORES CONSUMED :**

Opening Stock	2,885,193.55		4,001,674.60	
Add : Purchase of Consumable Stores	18,750,269.99		19,242,494.23	
Less : Closing stock of Consumable Stores	2,475,384.83	19,160,078.71	2,885,193.55	20,358,975.28
<b>TOTAL :</b>		<b>19,160,078.71</b>		<b>20,358,975.28</b>

**Note 26**
**COST OF PACKING MATERIAL CONSUMED :**

Purchases		4,676,122.90		3,841,258.50
<b>TOTAL :</b>		<b>4,676,122.90</b>		<b>3,841,258.50</b>

**Note 27**
**COST OF TRADING GOODS CONSUMED**

Opening Stock	15,419.72		-	
Add : Purchase of Trading Goods	144,728.84		39,031.16	
Less : Closing stock of Trading Goods	1,600.00	158,548.56	15,419.72	23,611.44
<b>TOTAL :</b>		<b>158,548.56</b>		<b>23,611.44</b>

**Note 28**
**MANUFACTURING EXPENSES :**

Building Repairs		1,351,833.00		2,079,162.11
Electricity Charges		11,304,229.00		8,134,213.00
Freight & Octroi		975,024.08		805,870.24
Job Work Expenses		128,778,049.12		101,443,975.83
Repairs and Maintenance		13,307,016.38		16,612,361.18
Testing Expenses		14,527.50		3,376.50
Water Charges		252,674.09		226,273.60
<b>TOTAL :</b>		<b>155,983,353.17</b>		<b>129,305,232.46</b>

**Note 29**
**WINDMILL EXPENSES :**

Electrical Inspection Charges		14,660.00		14,660.00
Insurance (Wind Mill)		131,379.00		127,692.00
Repairs & Maintenance		3,629,392.00		3,464,605.53
<b>TOTAL :</b>		<b>3,775,431.00</b>		<b>3,606,957.53</b>

**Note 30**
**SHARES EXPENSES :**

Security Transaction Tax		603,710.00		437,418.00
Stamping Charges		62,350.28		43,749.80
Stock Holding Expenses		48,875.61		40,985.29
Transaction Charges		40,398.28		13,426.94
Share Expenses		400,201.79		3,809.86
SEBI Tax		936.79		692.16
SGST & CGST on Shares		117,656.90		89,545.31
Service Tax on Shares		-		5,233.91
Swachh Bharat Cess (Shares)		-		59.92
Krishi Kalyan Cess (Shares)		-		59.92
<b>TOTAL :</b>		<b>1,274,129.65</b>		<b>634,981.11</b>

**Note 31**
**EMPLOYEE BENEFIT EXPENSES :**

Bonus		2,410,204.00		2,210,390.00
E. S. I. C.		259,223.00		315,841.00
Exgratia		965,038.00		716,077.00
Gratuity		1,970,314.00		542,483.00
Incentive A/c.		4,261,004.00		3,153,956.00
Labour Welfare		778,500.96		779,698.64
Leave with Wages		345,035.00		286,386.00
Medical Expenses		48,546.00		26,994.00
Provident Fund		1,130,484.00		1,151,279.00
Salary and Wages		26,800,618.00		23,225,449.00
Salary To Director		4,800,000.00		4,800,000.00
<b>TOTAL :</b>		<b>43,768,966.96</b>		<b>37,208,553.64</b>



Note 32

**ADMINISTRATION EXPENSES :**

Profession Tax	5,000.00		5,000.00	
Bank Charges	993,266.13		687,497.22	
Books and Periodicals	43,874.00		13,350.00	
Car Expenses	406,008.16		335,899.52	
Computer Software Expenses	168,300.00		965,966.90	
Conveyance Expenses	1,426,425.00		1,372,852.08	
Consultancy Fees	28,500.00		46,000.00	
CSR Expenses	4,168,481.00		1,959,000.00	
Cenvat / Excise	62,426.00		6,930.87	
Director Travelling Expenses	1,373,491.13		1,797,049.74	
Donation	38,100.00		4,900.00	
Insurance	701,894.00		543,047.00	
Interest on Service Tax, VAT & TDS	105,247.00		38,013.00	
Keyman Insurance	2,500,000.01		2,500,000.00	
Krishi Kalyan Cess	-		106,164.83	
Legal and Professional Expenses	2,897,696.00		1,227,043.50	
Licence Fees	63,574.00		160,683.60	
Membership Fees and Subscription	130,418.00		130,090.00	
Office Expenses	485,810.96		498,839.99	
Postage & Telegram Expenses	107,145.00		125,828.00	
Printing and Stationery	531,286.24		419,618.90	
ROC Expenses	1,038,930.00		-	
Rent, Rates and Taxes	739,615.00		487,437.00	
Service Tax	-		826,456.04	
Security Service Charges	753,764.32		644,280.44	
Sundry Balances W/Off	173,020.70		509,175.17	
Swachh Bharat Cess	-		106,142.71	
Telephone Expenses	579,122.89		829,600.31	
Traveling Expenses	1,481,964.73		1,200,335.36	
Vat Audit Fees	27,800.00		47,000.00	
VAT/CST Expenses	15,727.00	21,046,887.27	234,815.00	17,829,017.18
Payment to Directors				
- For Remuneration	5,307,600.00		12,734,980.00	
- For Sitting Fees	55,500.00	5,363,100.00	44,000.00	12,778,980.00
Payment to Auditors				
- For Audit	100,000.00		80,000.00	
- For Taxation	-		-	
- For Consultancy & Others	-	100,000.00	-	80,000.00
<b>TOTAL :</b>		<b>26,509,987.27</b>		<b>30,687,997.18</b>

**Note 33**
**SELLING AND DISTRIBUTION EXPENSES :**

Advertisement		2,848,331.96		1,760,970.69
Carriage Outward		5,326,743.59		4,639,168.68
Commission on Sales		2,669,015.00		2,779,428.00
Entertainment Expenses		13,582.00		21,851.00
Hospitality Expenses		90,121.97		106,584.57
Sales Promotion		407,424.79		707,088.66
Sales Promotion & Consultancy Charges		1,376,413.00		772,571.00
<b>TOTAL :</b>		<b>12,731,632.31</b>		<b>10,787,662.60</b>

**Note 34**
**FINANCE COST :**

Bank Interest		667,420.00		965,204.00
Interest on Term Loan		1,759,944.00		3,097,370.00
Interest on Car Loan		-		923.37
<b>TOTAL :</b>		<b>2,427,364.00</b>		<b>4,063,497.37</b>

**Note 35**
**DEPRECIATION & AMORTISATION EXPENSES :**

Depreciation for the Year		28,630,717.81		30,991,994.24
1/5th Listing Expenses written off		651,049.00		651,049.00
<b>TOTAL :</b>		<b>29,281,766.81</b>		<b>31,643,043.24</b>

**Note 36**
**INCOME TAX EXPENSES :**

Current Year Income Tax Provision		78,000,000.00		61,400,000.00
Add : Tax for Earlier Year		509,678.00		-
: Short Provision of Income Tax of Earlier Year				
Less : Excess provision of income Tax Earlier Year		1,808,361.00		2,585,878.00
<b>TOTAL :</b>		<b>76,701,317.00</b>		<b>58,814,122.00</b>


**Note 37**
**EARNING PER SHARE**

(A) Profit for the Year		52,678,514.97		198,884,486.15
(B) Weighted Average Number of Shares		10671300.00		1778550.00
Basic Earning Per Share		4.94		111.82
Diluted Earning per Share		4.94		111.82

For **Emkay Taps And Cutting Tools Ltd.**

 **Ajayprakash Kanoria**  
Chairman & Managing  
Director  
DIN No : 00041279

 **Shruti Sohane**  
Company Secretary

 **Mrs. Alka Kanoria**  
Whole time Director  
DIN No : 00041346

 **V.K Sontakke**  
Chief Finance Officer

As Per My Report of Even Date Attached  
For **M/s P.S. Thakare & Company**  
Chartered Accountant  
FRN 128572W

 **B.S. Thakare**  
Partner  
Mem. No. 127522

Place : Nagpur  
Dated : 27/05/2019

**Note 38**  
**SEGMENT REPORTING**

Particulars	31-Mar-19				31-Mar-18			
	Tools	Power	Others	Total	Tools	Power	Others	Total
<b>Revenues</b>								
Sales to External Customers	630,760,783.00	13,177,464.00	(127,947,429.00)	515,990,818.00	527,058,768.00	12,823,458.00	61,056,503.00	600,938,729.00
Total Segmental Revenues	630,760,783.00	13,177,464.00	(127,947,429.00)	515,990,818.00	527,058,768.00	12,823,458.00	61,056,503.00	600,938,729.00
<b>Segmental Result</b>								
Profit before Interest	265,955,482.00	3,741,451.00	(138,962,744.00)	130,734,189.00	204,385,946.00	2,772,792.00	51,604,528.00	258,763,266.00
(net of allocated corporate expenses)								
Less: unallocated corporate expenses	-	-	-	-	-	-	-	-
(Net of Other Income)								
Operating Profit	265,955,482.00	3,741,451.00	(138,962,744.00)	130,734,189.00	204,385,946.00	2,772,792.00	51,604,528.00	258,763,266.00
Interest (net of income)	2,427,364.00	-	-	2,427,364.00	4,063,497.00	-	-	4,063,497.00
Profit before Tax	263,528,118.00	3,741,451.00	(138,962,744.00)	128,306,825.00	200,322,449.00	2,772,792.00	51,604,528.00	254,699,769.00
Provision for Tax								
- Current Tax	-	-	-	76,701,317.00	-	-	-	58,814,122.00
- Deferred Tax	-	-	-	(1,073,007.00)	-	-	-	(2,998,839.00)
Profit from Ordinary Activities	263,528,118.00	3,741,451.00	(138,962,744.00)	52,678,515.00	200,322,449.00	2,772,792.00	51,604,528.00	198,884,486.00
Extraordinary Items	-	-	-	-	-	-	-	-
Net Profit	263,528,118.00	3,741,451.00	(138,962,744.00)	52,678,515.00	200,322,449.00	2,772,792.00	51,604,528.00	198,884,486.00

Particulars	31-Mar-19				31-Mar-18			
	Tools	Power	Others	Total	Tools	Power	Others	Total
Other Information								
Segmental Assets	502,140,562.00	44,177,323.00	733,506,129.00	1,279,824,014.00	415,130,268.00	49,363,484.00	776,028,054.00	1,240,521,806.00
Unallocated Corporate Assets								
Total Assets	502,140,562.00	44,177,323.00	733,506,129.00	1,279,824,014.00	415,130,268.00	49,363,484.00	776,028,054.00	1,240,521,806.00
Segmental Liabilities	102,071,576.00	32,000.00	102,790.00	102,206,366.00	122,034,043.00	2,508,987.00	134,227.00	124,677,257.00
Unallocated Corporate Liabilities								
Total Liabilities	102,071,576.00	32,000.00	102,790.00	102,206,366.00	122,034,043.00	2,508,987.00	134,227.00	124,677,257.00
Capital Expenditure during the year (Including Movement in CWIP)	43,555,053.00			43,555,053.00	19,477,793.00	-	-	19,477,793.00
Depreciation & Amortisation Exps.	23,088,445.00	5,542,273.00	651,049.00	29,281,767.00	24,641,275.00	6,350,719.00	651,049.00	31,643,043.00

**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 2019.
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 financial statements. Segment's performance is evaluated based on segment revenue and profit or loss from operating activities, i.e., segment results.
5. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment. Finance Income earned and finance expense incurred is not allocated to individual segment and the same has been reflected at the Group Level for segment reporting. Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period the change occurs. Segment information prior to the change in terms is not restated. These transactions have been eliminated on consolidation. The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial instruments, deferred tax assets and income tax recoverable.
6. Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial instruments.
7. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

**Note 39**
**EMPLOYEE COSTS**

Particulars	As on March 31st, 2019	As on March 31st, 2018
Salary Allowances & Others	40,408,946	35,198,951
Defined contribution plan	1,389,707	1,467,120
Defined benefit plan/other long term benefits	1,970,314	542,483
Share based compensation	-	-
<b>Total</b>	<b>43,768,967</b>	<b>37,208,554</b>

**Note 40**
**INCOME TAXES**

The major components of the Income Tax Expenses are Follows :		
Particulars	As on March 31st, 2019	As on March 31st, 2018
Current Income Tax		
in India	78,000,000	61,400,000
Overseas	-	-
Deferred Tax		
Relating to origination and reversal of temporary differences	(1,073,007)	(2,998,839)
Relating to changes in tax rates	-	-
Tax expense attributable to current year's profit (A) :-	76,926,993	58,401,161
Adjustments in respect of income tax of previous year :		
Current income tax		
in India	(1,298,683)	(2,585,878)
Overseas	-	-
<b>Total (B) :-</b>	<b>(1,298,683)</b>	<b>(2,585,878)</b>
<b>Total (A+B) :-</b>	<b>75,628,310</b>	<b>55,815,283</b>

The company during the Period has earned a profit of Rs. 12,83,06,824.97, A provision of Rs. 7,80,00,000.00 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, 2019 and March 31st, 2018, respectively are described below :

**RELATED PARTY DISCLOSURE**

- A. Key Management Persons :
  - Mr. Ajay Prakash Kanoria
  - Mrs. Alka Kanoria
  - Mr. Vishnu Sontakke
  - Miss. Shruti Sohane
- 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, 2019	Year Ended March 31st, 2018
a. Transactions for the period		
<b>Nagpur Tools Pvt. Ltd.:-</b>		
Job Work Expenses (Gross Including Taxes)	81,471,454.00	62,338,835.00
Purchase of Blanks (Gross Including Taxes)	2,975,598.00	-
Sales of Raw Material (Gross Including Taxes)	2,138,986.00	-
<b>Adishree Engineering Pvt. Ltd.</b>		
Job Work Expenses (Gross Including Taxes)	4,899,523.00	5,207,803.00
Purchase of Raw Material (Gross Including Taxes)	-	1,924,096.00
<b>Closing Balance</b>	<b>Year Ended March 31st, 2019</b>	<b>Year Ended March 31st, 2018</b>
Due from		
Adishree Engineering Pvt. Ltd.	-	177,172.78
Due to:-		
Ajayprakash Kanoria	3,411,631.82	6,458,186.82
Alka Ajayprakash Kanoria	2,729,127.38	4,593,227.38
Snehalata Kanoria (Loan)	113,500.00	113,500.00
Nagpur Tools Pvt. Ltd.	9,639,853.00	10,028,918.00
Adishree Engineering Pvt. Ltd.	2,189,950.22	-

**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, 2019	Year Ended March 31st, 2018
1) Ajayprakash Kanoria		
Salary	3,600,000.00	3,600,000.00
Remuneration	2,762,600.00	7,640,990.00
2) Alka Kanoria		
Salary	1,200,000.00	1,200,000.00
Remuneration	2,545,000.00	5,093,990.00
<b>Total</b>	<b>10,107,600.00</b>	<b>17,534,980.00</b>



**Note 43**
**CONTINGENCIES**

Particulars	Year Ended March 31st, 2019	Year Ended March 31st, 2018
(i) Taxes, Duties and Other Demands (under adjudication/appeal/dispute)		
Sales Tax (CST) (2014-15)	734,291	-
Sales Tax (VAT) (2014-15)	145,190	
Cenvat Credit on Input Service (15-16)	-	-
Cenvat Credit on Input Service (Oct. 15 to June 17)	-	515,788
(ii) Claims under legal cases including arbitration matters	-	-
<b>Total</b>	<b>879,481</b>	<b>515,788</b>

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. 33.19Lacs  
 B) Amount spent by the Company during the Year : Rs. 40.99 Lacs

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


**Note 45**
**PREVIOUS YEAR FIGURES**

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

For **Emkay Taps And Cutting Tools Ltd.**


 **Ajayprakash Kanoria**  
 Chairman & Managing  
 Director  
 DIN No : 00041279

 **Shruti Sohane**  
 Company Secretary

 **Mrs. Alka Kanoria**  
 Whole time Director  
 DIN No : 00041346

 **V.K Sontakke**  
 Chief Finance Officer

As Per My Report of Even Date Attached  
 For **M/s P.S. Thakare & Company**  
 Chartered Accountant  
 FRN 128572W

 **B.S. Thakare**  
 Partner  
 Mem. No. 127522

Place : Nagpur  
 Dated : 27/05/2019

## Notes

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24<sup>th</sup> 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

DPID \_\_\_\_\_

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 24<sup>th</sup> Annual General Meeting of the Company being held on Monday August 19, 2019 at 11.00 a.m. at B-27 7 B-27/1 M.I.D.C. Hingna, Industrial Estate at Nagpur-440016.

\_\_\_\_\_  
Signature of Shareholder/Proxy

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



EMKAY TOOLS

## FORM NO. MGT-11

## PROXY FORM

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

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

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

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

1. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

2. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

3. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on  
my/our behalf at the **24<sup>th</sup> Annual General Meeting** of the Company  
being held on **Monday August 19, 2019 at 11.00 a.m.** 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, 2019 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. 2018-19 of Rs. 0.50/- per share.
3. To consider re- appointment of Mr. Ajayprakash Kanoria (DIN: 00041279), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment.

**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.

## SPECIAL BUSINESS

4. To re-appoint Mr. Mahesh Mor (DIN: 07151767) as an Independent Director and if thought fit, pass the following resolution as a Special Resolution.
5. To re-appoint Mr. Ravindra Loiya (DIN: 07158487) as an Independent Director and if thought fit, pass the following resolution as a Special Resolution

Signed this \_\_\_\_\_ day of  
\_\_\_\_\_ 2019

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s)  
\_\_\_\_\_

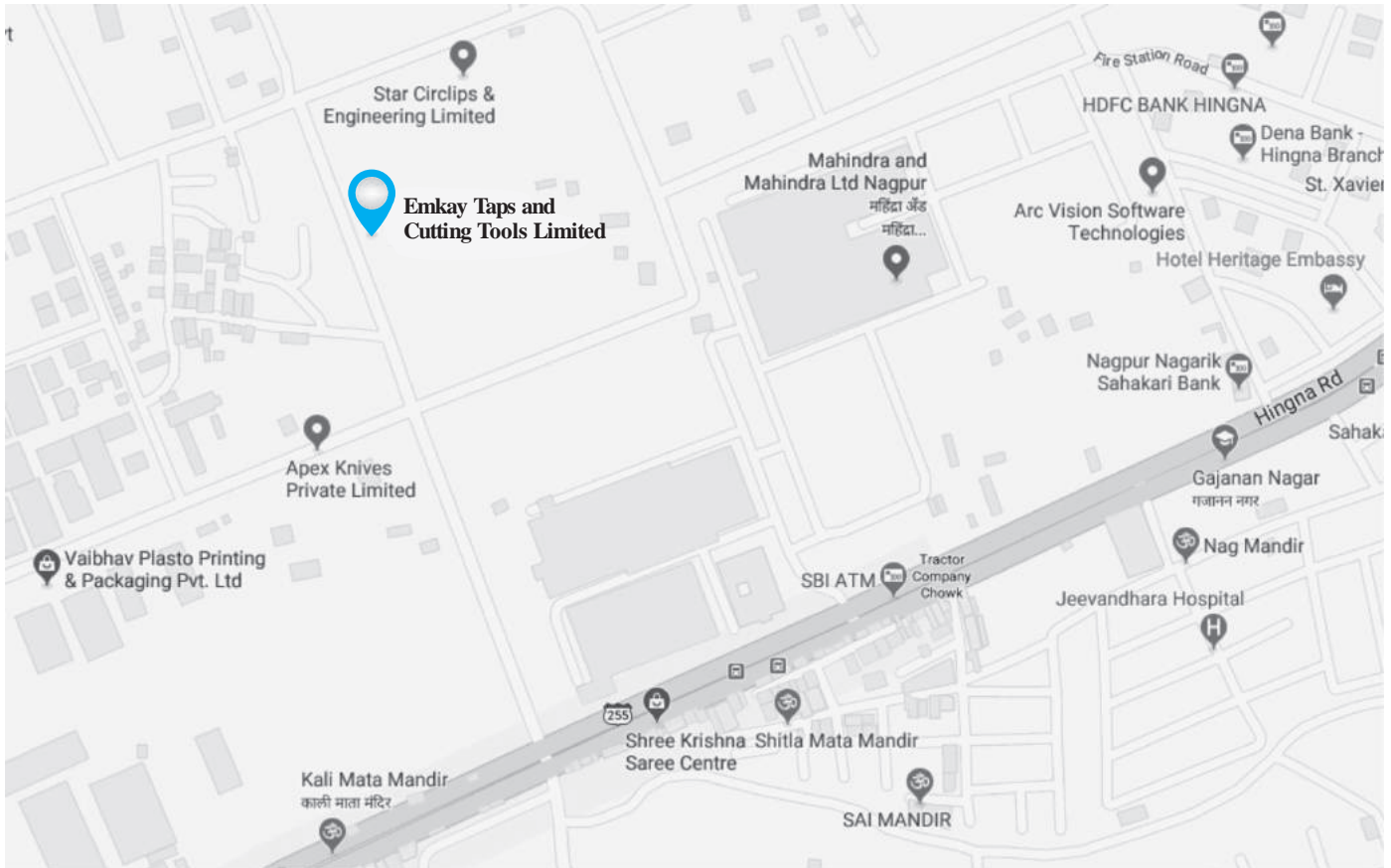
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## Notes

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## 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



Bangalore International Exhibition Centre (BIEC), Bengaluru Indian Machine Tools Exhibition (IMTEX) - 2019

## CSR ACTIVITIES



Hedgewar Blood Bank, Nagpur



Vivekanand Hospital Medical Mission, Nagpur





**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)