



Shruti Sohane Compliance Officer &lt;shrutisohane@emkaytaps.com&gt;

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**EMKAY TAPS AND CUTTING TOOLS LIMITED - Notice of the 25th Annual General Meeting (AGM) scheduled on Thursday, September 24, 2020 at 11:00 a.m. at registered office address situated at PLOT NO. B-27 AND B-27/1, MIDCHINGNA INDUSTRIAL ESTATE**

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Soni Singh &lt;SoniS@nsdl.co.in&gt;

Mon, Aug 31, 2020 at 7:29 PM

To: Shruti Sohane Compliance Officer &lt;shrutisohane@emkaytaps.com&gt;

Cc: Pratik Bhatt &lt;PratikB@nsdl.co.in&gt;, Sarita Mote &lt;SaritaM@nsdl.co.in&gt;, Pallavi Mhatre &lt;pallavid@nsdl.co.in&gt;, Amit Vishal &lt;AmitV@nsdl.co.in&gt;, "abhijeetgunjal@gmail.com" &lt;abhijeetgunjal@gmail.com&gt;

Dear Sir/Madam,

We refer to the electronic voting facility provided by NSDL in respect of ensuing Annual General Meeting of EMKAY TAPS AND CUTTING TOOLS LIMITED Even- 113847

In this regard, we wish to confirm that the email communication has been sent to 85 shareholders on 31<sup>st</sup> August, 2020.

This is for your information and records.

For further information, the bounce cases file will be kept in RTA login after T+2 days. You are requested to contact your respective RTA for the same.

*Warm Regards,*



*Soni Singh | Assistant Manager | National Securities Depository Ltd.*

+ 91 22 24994559 | [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in) | [www.nsdl.co.in](http://www.nsdl.co.in)

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**From:** Soni Singh**Sent:** 31 August 2020 12:32**To:** 'Shruti Sohane Compliance Officer'**Cc:** Pratik Bhatt; Sarita Mote; Pallavi Mhatre; Amit Vishal; 'abhijeetgunjal@gmail.com'**Subject:** RE: [External] Re: EMKAY TAPS AND CUTTING TOOLS LIMITED - Notice of the 25th Annual General Meeting (AGM) scheduled on Thursday, September 24, 2020 at 11:00 a.m. at registered office address situated at PLOT NO. B-27 AND B-27/1, MIDCHINGNA INDUSTRIAL ESTATE

Dear Madam,

Data not uploaded. Mail sending on hold.

Check with your RTA urgently and confirm to us for proceeding further with mail sending.

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**From:** Soni Singh  
**Sent:** 31 August 2020 11:39  
**To:** 'Shruti Sohane Compliance Officer'  
**Cc:** Pratik Bhatt; Sarita Mote; Pallavi Mhatre; Amit Vishal; [abhijeetgunjal@gmail.com](mailto:abhijeetgunjal@gmail.com)  
**Subject:** RE: [External] Re: EMKAY TAPS AND CUTTING TOOLS LIMITED - Notice of the 25th Annual General Meeting (AGM) scheduled on Thursday, September 24, 2020 at 11:00 a.m. at registered office address situated at PLOT NO. B-27 AND B-27/1, MIDCHINGNA INDUSTRIAL ESTATE

Noted Madam.

**From:** Shruti Sohane Compliance Officer [mailto:[shrutisohane@emkaytaps.com](mailto:shrutisohane@emkaytaps.com)]  
**Sent:** 31 August 2020 11:17  
**To:** Soni Singh  
**Cc:** Pratik Bhatt; Sarita Mote; Pallavi Mhatre; Amit Vishal; [abhijeetgunjal@gmail.com](mailto:abhijeetgunjal@gmail.com)  
**Subject:** [External] Re: EMKAY TAPS AND CUTTING TOOLS LIMITED - Notice of the 25th Annual General Meeting (AGM) scheduled on Thursday, September 24, 2020 at 11:00 a.m. at registered office address situated at PLOT NO. B-27 AND B-27/1, MIDCHINGNA INDUSTRIAL ESTATE

Dear Soni,

Please proceed with the below draft.

**Be Safe, Take Care!!!**

**Thanks & Regards,**

 CS Shruti Sohane

**Compliance Officer**

**Emkay Taps and Cutting Tools Limited**

M.I.D.C. Hingna, Industrial Area, Nagpur-440016

 07104-237584

[ ]

Excuse typos, if any.

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Sender notified by  
Mailtrack

[Quoted text hidden]






EMKAY TOOLS

# EMKAY TAPS AND CUTTING TOOLS LTD.

ANNUAL  
REPORT  
**2020**

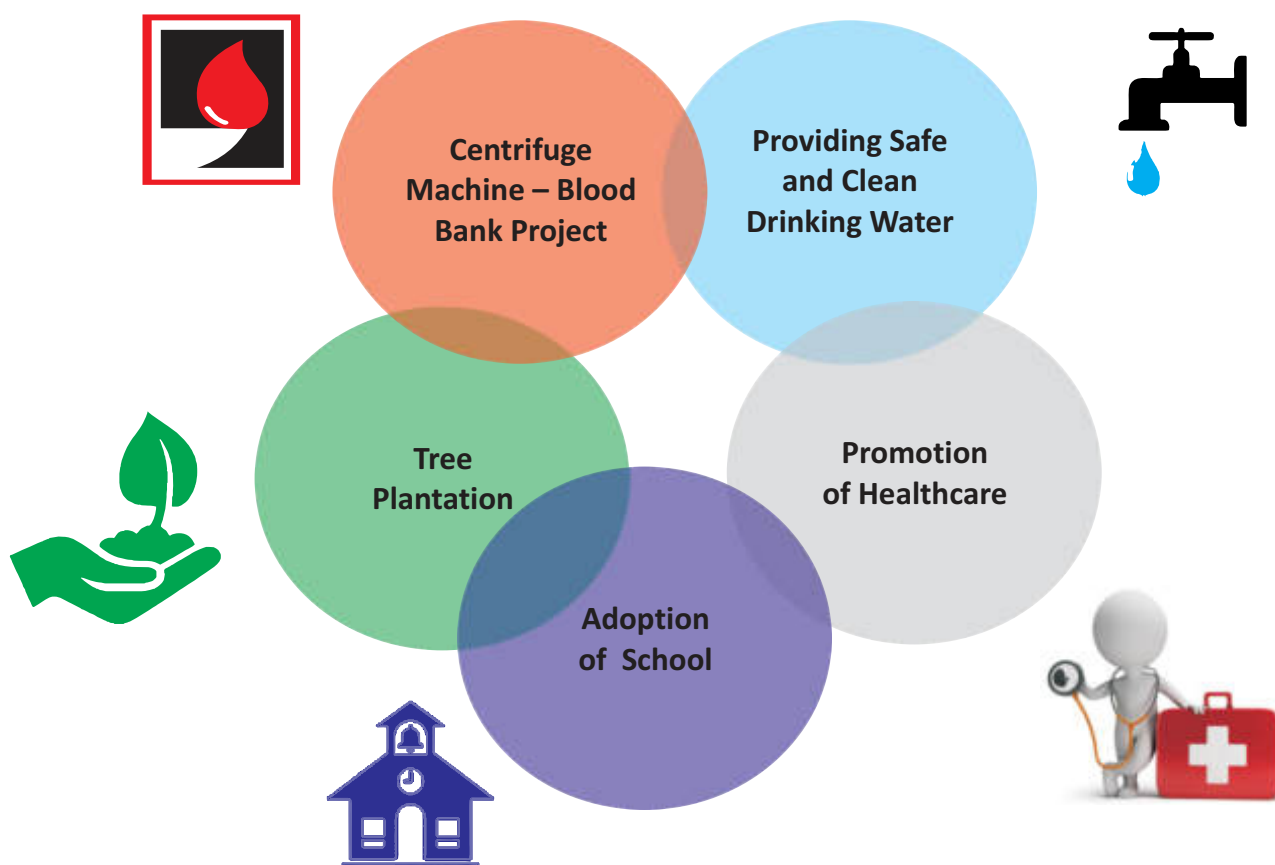


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## CSR Initiatives by the Company during the Year Under Review



## 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 & Co.

Chartered Accountants

Indo Unique Plaza, Opp Bole Petrol Pump,

VIP Road, Civil Lines, Nagpur 440001

Tel. : 0712 - 2520280, 6466032

Email : psthakare20@gmail.com,

thakareps@rediffmail.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 25<sup>TH</sup> ANNUAL GENERAL MEETING

Dear Member(s),

Notice is hereby given that the twenty-fifth Annual General Meeting of the Members of Emkay Taps and Cutting Tools Limited is scheduled to be held on **Thursday September 24, 2020 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, 2020 together with the Reports of the Board of Directors and Auditors' thereon.
2. To consider re-appointment of Mrs. Alka Ajayprakash Kanoria (DIN: 00041346), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers herself for re-appointment. For details of Director seeking re-appointment at the Annual General Meeting please refer Annexure I to the Notice.

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

Nagpur, Saturday, August 29, 2020

 **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)

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 September 18, 2020 to September 24, 2020 (both days inclusive).
6. 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.
7. To support the 'Green Initiative' and pursuant to MCA and SEBI circular the Notice of the AGM along with the Annual Report 2019-20 is being sent by electronic mode only to all the Members whose e-mail addresses are registered with the Company / Depositories. For Members who have not registered their e-mail addresses, may register on <https://www.bigshareonline.com/InvestorRegistration.aspx> and request to get the same on their respective email address(s). Also, members are requested to note that this Notice and the Annual Report 2019-20 will also be available on the Company's website viz., [www.emkaytapsandtools.com](http://www.emkaytapsandtools.com)
8. 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 the Company's website <https://emkaytapsandtools.com/nomination/>. Members are requested to submit the said form to their DP in case the shares are held in electronic form.
9. 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.

10. Voting through electronic means - Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 25<sup>th</sup> AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system for the 25<sup>th</sup> AGM will be provided by NSDL.

1. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 25<sup>th</sup> AGM has been uploaded on the website of the Company at [www.emkaytapsandtools.com](http://www.emkaytapsandtools.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the 25<sup>th</sup> AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

2. 25<sup>th</sup> AGM has been convened in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

- i. The Board of Directors has appointed Mr. Roshan Harde (Membership No. ACS 34630) of H. Roshan & Associates, the Practicing Company Secretaries from Nagpur, as the Scrutinizer to scrutinize the voting at the AGM by poll as well as 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.

- v. The details of the process and manner for remote e-voting are explained herein below:

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins on Monday September 21, 2020 (9:00 a.m. IST) and ends Wednesday September 23, 2020 (5:00 p.m. IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period shareholder's of the Company, holding shares in dematerialized form, as on the cut-off date of Friday September 18, 2020 may cast their vote electronically.

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

#### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

#### Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to

cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mcagsb83@gmail.com](mailto:mcagsb83@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990/evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager-NSDL at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in)/022-24994545

#### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investors@emkaytapsandtools.com](mailto:investors@emkaytapsandtools.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investors@emkaytapsandtools.com](mailto:investors@emkaytapsandtools.com).

#### THE INSTRUCTIONS FOR MEMBERS FOR VOTING ON THE DAY OF THE 25<sup>th</sup> AGM ARE AS UNDER:

1. Only those Members/ shareholders, who will be present in the 25<sup>th</sup> AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote by poll at the 25<sup>th</sup> AGM.
2. Members who have voted through Remote e-Voting will be eligible to attend the 25<sup>th</sup> AGM. However, they will not be eligible to vote at the 25<sup>th</sup> AGM.

11. As per the Notification issued by SEBI dated September 2, 2015 under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the compliance with the corporate Governance Provisions shall not apply in respect of the Listed Entity which has listed its specified securities on the SME Exchange.
12. The Company intends to convene 25<sup>th</sup> Annual General Meeting in compliance with applicable provisions of the Companies Act, 2013 read with General Circular No. 14/2020 dated April 8 and April 13, 2020.
13. Map for 25<sup>th</sup> AGM venue is given at the end of this Annual Report.

## Annexures 1

### Details of Director seeking re-appointment at the 25<sup>th</sup> Annual General Meeting

NAME	: Alka Ajayprakash Kanoria
DIN No.	: 00041346
Date of Birth	: August 04, 1959
Appointed on	: 15/12/2000*
Qualifications	: Bachelor 's Degree of Science
Brief Profile	: Mrs. Alka Ajayprakash Kanoria presently designated as the Whole-time Director of the Company. With her strong management skills, she handles the administrative office in a very planned and systematic manner. She was appointed as the Director of our Company on December 15, 2000 and designated at current position w.e.f. July 17, 2008.
Directorship held in other Public (excluding private companies)	: None
Membership/Chairmanship Of Committees in other Companies	: None
No of Shares held in the Company ( as on date )	: 1,124,190 shares
Relationship with other directors	: Wife of Mr. Ajayprakash Kanoria, Chairman & Managing Director of the Company.

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

## DIRECTOR'S REPORT

Dear Shareholders,

Your Board of Directors is pleased to present the 25<sup>th</sup> Annual Report for the financial year 2019-20, together with the Standalone Audited Financial Statements for the year ended on March 31, 2020.

### Financial Highlights:

Particulars	Amount ( ₹ In Crores)	
	F.Y. 2020	F.Y. 2019
Total Revenue from Operations	50.68	64.18
Other Income	1.44	(12.58)
Total Expenditure (excl. depreciation, interest and tax)	30.36	35.60
Profit before depreciation, interest and tax	21.76	16.00
Less: Interest	0.06	0.24
Less: Depreciation and amortization expense	2.99	2.93
Profit before tax	18.71	12.83
Less: Net tax expense	4.51	7.56
Profit for the year	14.20	5.27
Add: Surplus carry forward from the last year Balance sheet	92.11	96.37
Less: Dividend Paid (Incl. Tax)	1.16	0.64
Less: Bonus Issue	-	8.89
Balance carried over to Balance Sheet	105.15	92.11
Earnings Per share (₹)	13.31	4.94

### Results of Operations

The total revenue from operation for the F.Y. 2019-20 is ₹50.68 crores marking decrease of 21.03% to last year's operational revenue generation of ₹64.18 crores. The main reason for which was Automobile recession which continued during the year and in the last quarter there was outbreak of COVID-19 and consequential lockdown in the month of March 2020.

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 decreased by 21.90% from the last financial year. Cutting Tools Industry plays a major role in production of automobiles, which includes 2 wheelers, 4 wheelers and heavy commercial vehicles. Apart from automobiles, there are many ancillaries to supply to these auto companies and also expanding their capacities for exports.

There has been a slowdown in the auto sector, which has resulted in corresponding slowdown in our growth and this continued till September 2019 and after that things were expected to return to normalcy; however due to outbreak of COVID-19 pandemic throughout the world economy further derailed the performance effects of which are likely to be witnessed in the next F.Y. 2020-21.

- 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. 19-20 was ₹1.50 crores from the power sale during the year under review.

### Share Capital

The paid-up equity share capital as on 31<sup>st</sup> March 2020 was 10671300 equity shares of Rs. 10/- each (Rupee Ten only) amounting to total of ₹10, 67,13,000. The Company has not issued any shares with differential voting rights or granted stock options or sweat equity or through any other permissible mode during the FY 2019-20.

### Dividend

Your Board of Directors declared interim dividend of ₹0.40 per equity share, on 10671300 total outstanding equity shares of ₹10/- each, amounting to ₹42,68,520/- in respect of the financial year 2019-20 in their meeting held on March 07, 2020.

### Material changes / developments during the year:

There are no material changes and development affecting the financial position of the Company which has occurred during the Financial Year ended on 31<sup>st</sup> March 2020.

### Material Changes / Events after the date of balance Date

There was outbreak of COVID-19 pandemic in the country since January 2020 which became gross post March 2020 affecting the financial position of the Company during the period between the end of the Financial Year i.e. 31<sup>st</sup> March 2020 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. 2019-20.

### 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. 2019-20 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 4 (four) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

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

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

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

In accordance with the provisions of section 196[2] of the Companies Act, 2013 in the last 24<sup>th</sup> AGM, Mr. Mahesh Mor(DIN: 07151767) and Mr. Ravindra Loiya (DIN: 07158487) has been re-appointed 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 25<sup>th</sup> 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)
- ♦ Ms. Shruti Sohane- Company Secretary & 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 07, 2020.

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 2019-20.

## 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 available on [www.emkaytapsandtools.com](http://www.emkaytapsandtools.com)

POLICY NAME	BRIEF DESCRIPTION
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.
Code of Conduct	The Company has formulated and adopted Code of Conduct for the Senior Management and officers of the Company.
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.
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.
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.
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.
Archival Policy	This policy is for retention and preservation of documents and records of the Company.
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.
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



### Directors' Responsibility Statement

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

- i. in the preparation of the annual financial statements for the year ended on March 31, 2020, applicable accounting standards read with requirements set out under schedule III of the Act, have been followed along with proper explanation relating to material departures, if any,
- ii. such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020 and of the profit of the company for the year ended on that date,
- iii. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities,
- iv. the annual financial statements are prepared on a going concern basis,
- v. proper internal financial controls are in place and that the financial controls are adequate and are operating effectively and
- vi. the systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

### Statutory Audit

In accordance with provisions of Section 139(1) of the Companies Act, 2013 M/s. 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 23<sup>rd</sup> AGM till the conclusion of 28<sup>th</sup> AGM.

M/s. P.S. Thakare & Co., 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 July 16, 2020 and are eligible to continue as Statutory Auditors for the FY 2020-21.

M/s. P.S. Thakare & Co., Chartered Accountants, has submitted Auditor's Report with unmodified opinion and unmodified figures for the F.Y. March 31, 2020 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 July 20, 2019 to conduct Secretarial Audit and report thereon for F.Y. 2019-20.

Accordingly, the Secretarial Audit Report given by M/s H. Roshan & Associates, Nagpur for the F.Y. 2019-20 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 and 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.

#### Significant and Material Orders

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

#### Details of Frauds Reported by Auditors

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

#### Acknowledgement

The Directors express their gratitude 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.

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

Nagpur, Saturday August 29, 2020

 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 2019-20
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: No salient terms defined for the transactions with the related parties.
- (e) Date(s) of approval by Audit Committee: May 27, 2019 (Omnibus Approval)
- (f) Amount paid as advances during the F.Y. 2019-20, if any: Please see Annexure to AOC -2.

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

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

Nagpur, Saturday August 29, 2020

 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. 2019-20, if any:	Amount of Transactions (in ₹)	
				2019-20	2018-19
Nagpur Tools Private Limited	Promoter Group Company	Job Work	-	57,319,584.00	81,471,454.00
		Purchase of Blanks	-	1,034,520.00	2,975,598.00
		Sales of Raw Material	-	-	2,138,986.00
Adishree Engineering Private Limited	Promoter Group Company	Job Work	-	2,547,494.00	4,899,523.00
Mr. Ajayprakash Kanoria	Chairman, Managing Director & CEO	Managerial Remuneration	NIL	9,212,720.00	6,362,600.00
Mrs. Alka Kanoria	Whole-time Director	Managerial Remuneration	NIL	4,941,810.00	3,745,000.00
Mr. Vishnu Sontakke	Chief Financial Officer	Salary	NIL	574,837.00	618,545.00
Ms. Shruti Sohane	Company Secretary	Salary	NIL	368,400.00	411,600.00

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

Nagpur, Saturday August 29, 2020

 Ajayprakash Kanoria  
Chairman, Managing Director & CEO

## Annexure B

### SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March 2020

[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.

Due to the current nationwide lockdown arising out of COVID-19 pandemic, I have examined the papers, minute books, forms, returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 provided to me through electronic mode. No physical verification of any document / record was possible. Based on my examination as aforesaid 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 my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, 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 the 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 31<sup>st</sup> March 2020, 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, 2015.
  - iv. The Securities and Exchange Board of India (Issue of capital and Disclosure of requirements) Regulations, 2018\*
  - v. The Securities and exchange Board of India (Employees Stock option scheme and employees stock purchase scheme) Guidelines, 1999\*.
  - vi. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations 2008\*.
  - vii. 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.
  - viii. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009\*.
  - ix. The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018\*.

(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 audit period there was no events occurred which had bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Nagpur, Saturday August 29, 2020

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 as Annexure 1 and forms an integral part of this report.

## Annexure 1


To,  
The Members,  
EMKAY TAPS AND CUTTING TOOLS LIMITED,  
Plot No B-27 and B-27/1, MIDC HINGNA,  
INDUSTRIAL ESTATE  
NAGPUR-440016

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

- a. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
- b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for our opinion.
- c. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is a part of financial audit.
- d. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc., wherever required.
- e. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Nagpur, Saturday August 29, 2020

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, 2020

[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*	96.98%

\*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				

#### IV. Share Holding Pattern (Equity Share Capital Breakup As Percentage Of Total Equity)

##### i) Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 31/03/2019)				No. of shares held at the end of the year (As on 31/03/2020)				% change
		Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares	
A. Shareholding Of Promoter And Promoter Group										
(1) Indian										
a)	Individual / HUF	6362100	0	6362100	59.62	6062100	0	6062100	56.81	2.81
B)	Central / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporate	1592700	0	1592700	14.93	1895100	0	1895100	17.76	(2.83)
d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Others (specify)									
1	Group Companies	0	0	0	0.00	0	0	0	0.00	0.00
2	Directors Relatives	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total :		7954800	0	7954800	74.54	7957200	0	7957200	74.57	(0.02)
(A) Shareholding Of Promoter And Promoter Group										
2 Foreign										
	A) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	B) Individual	0	0	0	0.00	0	0	0	0.00	0.00
	C) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
	D) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	E) Any Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL :		0	0	0	0.00	0	0	0	0.00	0.00
	Total Public Shareholding	7954800	0	7954800	74.54	7957200	0	7957200	74.57	(0.02)
B. Public Shareholding										
3 Institutions										
	A) Central / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	B) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
	C) Mutual Funds / Uti	0	0	0	0.00	0	0	0	0.00	0.00
	D) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00

	Category of Shareholders	No. of Shares held at the beginning of the year (As on March 31, 2019)				No. of shares held at the end of the year (As on March 31, 2020)				% change during the year
		Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares	
E)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
F)	FII's	0	0	0	0.00	0	0	0	0.00	0.00
G)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
H)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
I)	Any Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
J)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
K)	Alternate Investment Fund	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total:	0	0	0	0.00	0	0	0	0.00	0.00
<b>(B) Public Shareholding</b>										
4	Non-institutions									
a)	Bodies Corporate	1052400	0	1052400	9.86	1017600	0	1017600	9.54	0.33
B)	Individual									
1	Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
2	(capital Upto To Rs. 1 Lakh)	185100	0	185100	1.73	165900	0	165900	1.55	0.18
3	(capital Greater Than Rs. 1 Lakh)	1478400	0	1478400	13.85	1528200	0	1528200	14.32	(0.47)
c)	Any Others (specify)									
1	Trusts	0	0	0	0.00	0	0	0	0.00	0.00
2	Clearing Member	600	0	600	0.01	2400	0	2400	0.02	(0.02)
3	Non-resident Indians (NRI)	0	0	0	0.00	0	0	0	0.00	0.00
4	Non-resident Indians (repat)	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders		No. of Shares held at the beginning of the year (As on March 31, 2019)				No. of shares held at the end of the year (As on March 31, 2020)				% change during the year
		Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares	
5	Non-resident Indians (non Repat)	0	0	0	0.00	0	0	0	0.00	0.00
6	Directors Relatives	0	0	0	0.00	0	0	0	0.00	0.00
7	Employee	0	0	0	0.00	0	0	0	0.00	0.00
8	Overseas Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
9	Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	0.00
10	IEPF	0	0	0	0.00	0	0	0	0.00	0.00
d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total :		2716500	0	2716500	25.46	2714100	0	2714100	25.43	0.02
Total Public Shareholding		2716500	0	2716500	25.46	2714100	0	2714100	25.43	0.02
(c) Shares Held By Custodians And Against Which Depository Receipts Have Been Issued										
5										
F)	Shares Held By Custodians	0	0	0	0.00	0	0	0	0.00	0.00
11	Promoter And Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
12	Public	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total :		0	0	0	0.00	0	0	0	0.00	0.00
Total Public Shareholding		0	0	0	0.00	0	0	0	0.00	0.00
Grand Total		10671300	0	10671300	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, 2019)			No. of shares held at the end of the year (As on March 31, 2020)			% 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	614250	05.76	0	614250	05.76	0	0.00
2.	Ajayprakash Murlidhar Kanoria HUF	4622160	43.31	0	4322160	40.50	0	-2.81
3.	Alka Kanoria	1124190	10.54	0	1124190	10.54	0	0.00
4.	Nagpur Tools Pvt. Ltd.	1591200	14.91	0	1893600	17.75	0	2.84
5.	Adishree Engineering Pvt. Ltd.	1500	0.01	0	1500	0.01	0	0.00
6.	Apoorvashree Kanoria	1500	0.01	0	1500	0.01	0	0.00
Total		7954800	74.54	0	0	74.57	0	0.03

## iii) Movement in Promoter's Shareholding

Sr No	Name	Shareholding		Date	Increase/Decrease In Shareholding	Reason	Cumulative Shareholding During The Year	
		No. Of Shares At The Beginning (01.04.2019/ End Of Year 31.03.2020)	% Total Shares Of The Company				No Of Shares	% Total Shares Of The Company
1	Ajayprakash	4622160	43.31	30-mar-2019			4622160	43.31
	Murlidhar Kanoria HUF		41.26	28-feb-2020	-2,19,000	Sell	4403160	41.26
			40.50	06-mar-2020	-81,000	Sell	4322160	40.50
		4322160	40.50	31-mar-2020			4322160	40.50
2	Nagpur Tools Pvt. Ltd.	1591200	14.91	30-mar-2019			1591200	14.91
			15.85	28-feb-2020	1,00,200	Buy	1691400	15.85
			17.74	06-mar-2020	2,02,200	Buy	1893600	17.74
		1893600	17.74	31-mar-2020			1893600	17.74
3	Alka Kanoria	1124190	10.53	30-mar-2019			1124190	10.53
		1124190	10.53	31-mar-2020			1124190	10.53
4	Ajayprakash Kanoria	614250	5.76	30-mar-2019			614250	5.76
		614250	5.76	31-mar-2020			614250	5.76
5	Apoorvashree Kanoria	1500	0.01	30-mar-2019			1500	0.01
		1500	0.01	31-mar-2020			1500	0.01
6	Adishree Engg. Pvt. Ltd.	1500	0.01	30-mar-2019			1500	0.01
		1500	0.01	31-mar-2020			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		Date	Increase/ Decrease In	Reason	Cumulative Shareholding During The Year	
		No. Of Shares At The Beginning (01.04.2019/ End Of Year 31.03.2020)	% Total Shares Of The Company				No Of Shares	% Total Shares Of The Company
1	Sudarshan Trading And Manufacturing Private Limited	1034400	9.69	30-mar-2019			1,034,400	9.69
			9.69	13-dec-2019	-600	Sell	1,033,800	9.69
			9.72	20-dec-2019	3,600	Buy	1,037,400	9.72
			9.73	27-dec-2019	1,200	Buy	1,038,600	9.73
			9.73	31-dec-2019	-600	Sell	1,038,000	9.73
			9.72	17-jan-2020	-1,200	Sell	1,036,800	9.72
			9.71	31-jan-2020	-600	Sell	1,036,200	9.71
			9.70	07-feb-2020	-600	Sell	1,035,600	9.70
			9.69	14-feb-2020	-1,200	Sell	1,034,400	9.69
			9.09	06-mar-2020	-64,200	Sell	970,200	9.09
			9.07	13-mar-2020	-2,400	Sell	967,800	9.07
			8.59	20-mar-2020	-51,000	Sell	916,800	8.59
		916800	8.59	31-mar-2020			916,800	8.59
2	Rahim Mansoor Khan	517800	4.85	30-mar-2019			517,800	4.85
			4.85	23-aug-2019	-600	Sell	517,200	4.85
			4.86	17-jan-2020	1,200	Buy	518,400	4.86
			4.87	24-jan-2020	1,800	Buy	520,200	4.87
			4.89	31-jan-2020	1,800	Buy	522,000	4.89
			4.90	14-feb-2020	1,200	Buy	523,200	4.90
			3.80	28-feb-2020	-118,200	Sell	405,000	3.80
			1.93	06-mar-2020	-199,200	Sell	205,800	1.93
		205800	1.93	31-mar-2020			205,800	1.93
3	Shilpa Maloo	40800	0.38	30-mar-2019			40,800	0.38
			0.94	28-feb-2020	60,000	Buy	100,800	0.94
			2.71	06-mar-2020	188,400	Buy	289,200	2.71
			3.57	13-mar-2020	91,800	Buy	381,000	3.57
			3.59	20-mar-2020	1,800	Buy	382,800	3.59
		382800	3.59	31-mar-2020			382,800	3.59
4	Naginadevi B. Agrawal	244800	2.29	30-mar-2019			244,800	2.29
		244800	2.29	31-mar-2020			244,800	2.29

Sr No	Name	Shareholding		Date	Increase/ Decrease In	Reason	Cumulative Shareholding During The Year	
		No. Of Shares At The Beginning (01.04.2019/ End Of Year 31.03.2020)	% Total Shares Of The Company				No Of Shares	% Total Shares Of The Company
5	Brajkishore H. Agrawal	180000	1.69	30-mar-2019			180,000	1.69
		180000	1.69	31-mar-2020			180,000	1.69
6	Nikhil S. Agrawal	134400	1.26	30-mar-2019			134,400	1.26
		134400	1.26	31-mar-2020			134,400	1.26
7	Ravindra R. Maloo	84000	0.79	30-mar-2019			84,000	0.79
		84000	0.79	31-mar-2020			84,000	0.79
8	Priya Viniyog Pvt. Ltd.	0	0.00	30-mar-2019		Sell		0.00
			0.28	13-mar-2020	30,000	Buy	30,000	0.28
			0.65	20-mar-2020	39,000	Buy	69,000	0.65
		69000	0.65	31-mar-2020			69,000	0.65
9	Anuj Shantilal Badjate	43200	0.40	30-mar-2019			43,200	0.40
			0.00	06-mar-2020	-43,200	Sell		0.00
			0.40	31-mar-2020	43,200	Buy	43,200	0.40
		43200	0.40	31-mar-2020			43,200	0.40
10	Shashi Bhushan O. Agrawal	20400	0.19	30-mar-2019			20,400	0.19
			0.20	31-may-2019	1,088	Buy	21,488	0.20
			0.21	07-jun-2019	712	Buy	22,200	0.21
			0.21	14-jun-2019	600	Buy	22,800	0.21
			0.22	21-jun-2019	600	Buy	23,400	0.22
			0.26	28-jun-2019	4,200	Buy	27,600	0.26
			0.26	05-jul-2019	600	Buy	28,200	0.26
			0.27	12-jul-2019	600	Buy	28,800	0.27
			0.28	30-aug-2019	600	Buy	29,400	0.28
			0.28	06-dec-2019	600	Buy	30,000	0.28
			0.29	13-dec-2019	1,200	Buy	31,200	0.29
			0.30	20-dec-2019	600	Buy	31,800	0.30
			0.31	03-jan-2020	1,200	Buy	33,000	0.31
			0.31	10-jan-2020	600	Buy	33,600	0.31
			0.32	14-feb-2020	600	Buy	34,200	0.32
			0.34	21-feb-2020	1,800	Buy	36,000	0.34
			0.34	28-feb-2020	600	Buy	36,600	0.34
			0.35	06-mar-2020	600	Buy	37,200	0.35

Sr No	Name	Shareholding		Date	Increase/ Decrease In	Reason	Cumulative Shareholding During The Year	
		No. Of Shares At The Beginning (01.04.2019/ End Of Year 31.03.2020)	% Total Shares Of The Company				No Of Shares	% Total Shares Of The Company
			0.35	27-mar-2020	600	Buy	37,800	0.35
		37800	0.35	31-mar-2020			37,800	0.35
11	Vinod Lodha	28200	0.26	30-mar-2019			28,200	0.26
			0.25	28-jun-2019	-1,200	Sell	27,000	0.25
			0.25	13-dec-2019	-600	Sell	26,400	0.25
			0.24	10-jan-2020	-600	Sell	25,800	0.24
			0.24	17-jan-2020	-600	Sell	25,200	0.24
			0.22	24-jan-2020	-1,200	Sell	24,000	0.22
			0.22	21-feb-2020	-600	Sell	23,400	0.22
			0.21	28-feb-2020	-600	Sell	22,800	0.21
		22800	0.21	31-mar-2020			22,800	0.21
12	Tushar S. Lunkad	24000	0.22	30-mar-2019			24,000	0.22
		24000	0.22	31-mar-2020			24,000	0.22
	Total	4697400			-6,600		21,070,688	

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

	Name	Shareholding at the beginning of the year (As on 01-04-2019)		Date of Allotment	Increase/ Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year (2019-20)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
A.	Directors							
1.	Ajayprakash Kanoria	614250	5.76	-	-	-	614250	5.76
2.	Alka Kanoria	1124190	10.53	-	-	-	1124190	10.53
B.	Key Managerial Personnel (KMP):	Nil						

## vi) Indebtedness

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

Particulars	Amount (₹ In crores)			
	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2019)				
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
Addition	1.3504	0.0000	0.0000	1.3504
Reduction	0.8441	0.0141	0.0000	0.8582
Net Change	0.5063	(0.0141)	0.0000	0.4922
i) Principal Amount	3.3598	0.0000	0.0000	3.3598
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)	3.3598	0.0000	0.0000	3.3598

Note: Above figures include net effect on cash credit account availed from ICICI Bank during F.Y. 2019-20

## 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	5,612,720.00	3,741,810.00	9,354,530.00
	TOTAL (A)	9,212,720.00	4,941,810.00	14,154,530.00

**B. Remuneration to other directors**

Sr. No.	Name of Director	Particulars of Remuneration		Total Amount Paid (₹)
		Fee for attending Board / Committee Meetings	Commission Others, if any specify	
1.	Independent Directors			
	a. Mahesh Mor	20,000.00	0.00	20,000.00
	b. Ravindra Loiya	10,000.00	0.00	10,000.00
	c. P.C. Ramchandran	13,500.00	0.00	13,500.00
	Total (1)	43,500.00	0.00	43,500.00
2.	Other Non-Executive Directors	NA		
	Total (2)	0.00	0.00	0.00
	Total (B)= (1+2)	43,500.00	0.00	43,500.00
	Total Managerial Remuneration	(A+B)	14,198,030.00	
	Overall Ceiling as Per the Companies Act, 2013 (As per section 197 and 198)	11% of Net Profit	19,129,666.65	

**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 salaryGross salary	3.68	5.75	9.43
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>3.68</b>	<b>5.75</b>	<b>9.43</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 August 29, 2020

 **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 remain 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 : ₹202,573,326.97

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above) : ₹4,051,466.54

#### 5. Details of CSR spent during the financial year:

(a) Total CSR Amount for the F.Y. 19-20 : ₹4,051,466.54

(b) Total CSR spent during the year : ₹4,017,320.00

(c) Total Unspent, if any : ₹34,146.54

(d) Reason for not spending, if any : The CSR Committee of the Company has taken measured approach to deploy resources, the amount spent and locations covered has shown a remarkable increase over the previous Financial Year(s) with subtle unspent amount. The unspent amount of prescribed CSR expenditure is insignificant and hence does not call for clarification.

(e) Manner in Which the Amount Spent During the Financial Year Is Detailed Below : Annexure to Annual Report on CSR activities.

#### 6. Responsibility Statement

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

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

Nagpur, Saturday August 29, 2020

 **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: (I) 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	162,000.00	Water tank was directly provided by the Company through Water Tank Supplier	162,000.00	Digdoh (Deevi) Grampanchat
2.	Purchase of Blood bank refrigerator - BR series, Platelet Agitator with incubators, Bank Refrigerator 90 litre	Promotion of Healthcare	Nagpur, Maharashtra	14,86,000.00	Donation given to Vivekanand hospital Medical Mission for implementation of the project	14,86,000.00	Vivekanand hospital Medical Mission, Nagpur
3.	Purchase of Equipment's	Promotion of health care	Nagpur, Maharashtra	10,18,120.00	Donation given to Hedgewar Blood Bank for purchase of Centrifuge Machine	10,18,120.00	Hedgewar Blood Bank Nagpur
4.	Tree plantation	Protection of Environment	Nagpur, Maharashtra	31,200.00	Donation given to Shrihari Satsang Samiti	31,200.00	Shrihari Satsang Samiti cultural society for tribal, Nagpur
5.	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	13,20,000.00	Donation given to Friends of Tribal Society, Nagpur	13,20,000.00	Friends of Tribal Society, Nagpur for EKAL movement - Education for all
					<b>TOTAL</b>	<b>40,17,320.00</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
- ◆ Shrihari Satsang Samiti established in 2006.

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Nagpur, Saturday August 29, 2020

 **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. 2019-20.

(Amount in ₹)

Sr. No.	Name	Designation	Total Remuneration (in ₹)	Ratio of Directors Remuneration to Median remuneration	% increase in the remuneration
				(A)	(B)
I.	<b>Executive Director</b>				
1.	Mr. Ajayprakash Kanoria	Chairman, Managing Director & CEO	9,212,720.00	28.72	NA
2.	Mrs. Alka Kanoria	Whole-time Director	4,941,810.00	15.41	NA
II.	<b>Key Managerial Personnel</b>				
3.	Mr. Vishnu Sontakke	Chief Finance Officer	574,837.00	NA	NA
4.	Ms. Shruti Sohane	Company Secretary	368,400.00	NA	NA

- 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
2019-20	2018-19	
3,20,728.00	3,15,420.00	1.68%

- D. The number of permanent employees on the rolls of company as on March 31, 2020 : **Sixty Four (64)**
- 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 2019-20
All permanent Employees	0%
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, 2020.

#### 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

Amount in Crores (₹)

Particular	2019-20	2018-19
Total Foreign Exchange Outgo	9.12	10.33
Total Foreign Exchange Earned	0.58	0.61

## Corporate Governance Report 2019-20

### 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-2019-20 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 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March 2020, the Board of Directors met four times on May 27, 2019, July 20, 2019, November 14, 2019 and March 07, 2020. The maximum time gap between any two consecutive board meetings was more than 120 days.

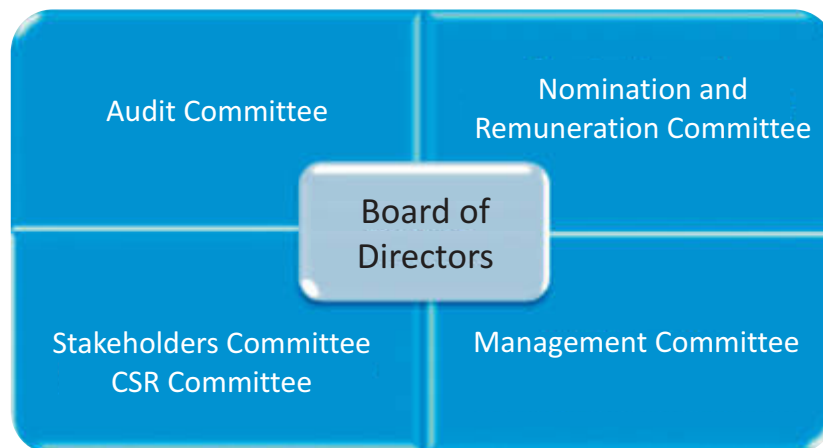
##### ◆ Code of conduct for Board Members and Senior Management Personnel

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 Chairman, Managing Director & CEO 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. 2019-20	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, 2020
					Chairman	Member	
1.	Ajayprakash Kanoria	CMD	4	Nil	Nil	Nil	6,14,250
2.	Alka Kanoria	WTD	4	Nil	Nil	Nil	11,24,190
3.	Mahesh Mor	NEID	4	Nil	Nil	Nil	0
4.	Ravindra Loiya	NEID	2	Nil	Nil	Nil	0
5.	P.C. Ramchandran	NEID	4	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 27, 2019, July 20, 2019, November 14, 2019 and March 07, 2020. 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. 2019-20
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. 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. 2019-20 on July 20, 2019 and March 07, 2020.

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. 2019-20
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 may be.

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 07, 2020 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. 2019-20
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.

Investor's 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

### 6 Corporate Social Responsibility Committee

The Committee met for five times on April 22, 2019, July 20, 2019, October 12, 2019, December 05, 2019 and March 19, 2020 during the year under review. A detailed annual report on CSR during F.Y. 2019-20 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. 2019-20
1.	Ajayprakash Kanoria	CMD	Chairman	5
2.	Alka Kanoria	WTD	Member	5
3.	Mr. Mahesh Mor	NEID	Member	3

#### ♦ Management Committee

The Committee met four (4) times in the F.Y. 2019-20 on May 10, 2019, July 29, 2019, August 22, 2019, January 07, 2020 and February 20, 2020. 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. 2019-20
1.	Ajayprakash Kanoria	CMD	Chairman	5
2.	Alka Kanoria	WTD	Member	5

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

The details of remuneration paid from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 are given below:

Name and Designation	Ajayprakash Kanoria Chairman, Managing Director & CEO	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	5,612,720.00	3,741,810.00
Contribution to PF and superannuation fund	28,800.00	21,600.00
<b>Total</b>	<b>9,241,520.00</b>	<b>4,963,410.00</b>

#### ♦ 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	4	10	2,500.00	1,000.00
2.	Mr. Ravindra Loiya	NEID	2	5	2,500.00	1,000.00
3.	Mr. P. C. Ramchandran	NEID	4	6	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, 2020. 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, 2018.

#### ◆ General Body Meetings

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time
22 <sup>ND</sup>	March 31, 2017	Plot No B-27 And B-27/1,	August 12, 2017	12:30 PM
23 <sup>RD</sup>	March 31, 2018	MIDC Hingna, Industrial Estate,	September 15, 2018	12.30 PM
24 <sup>TH</sup>	March 31, 2019	Nagpur-440016	August 19, 2020	12.30 PM

#### ◆ Special Resolutions

Following two(2) special resolutions were passed in last 24<sup>th</sup> Annual General Meetings (AGM) of the Company:

1. To re-appoint Mr. Mahesh Mor (DIN: 07151767) as an Independent Director
2. To re-appoint Mr. Ravindra Loiya (DIN: 07158487) as an Independent Director

#### ◆ 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

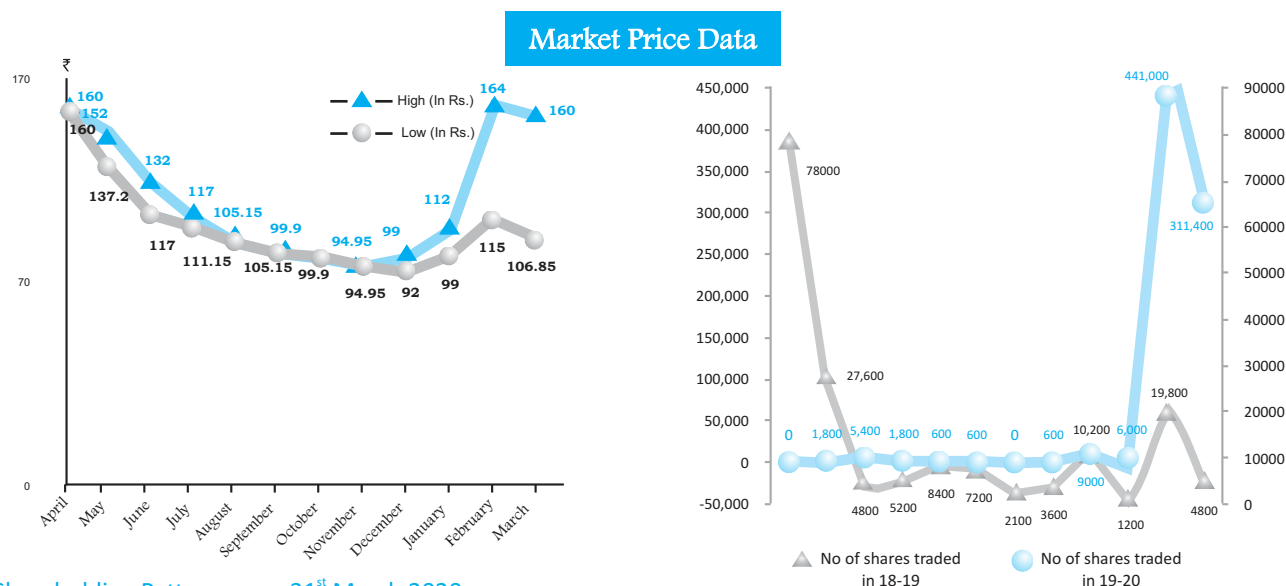
Sr. No.	Salient Items of Interest	Particulars
1.	AGM Day and Date Time Venue	: On Thursday September 24, 2020 : 11.00 AM : Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016
2.	Financial Year	: April 1 <sup>st</sup> 2019 to March 31 <sup>st</sup> 2020
3.	E-voting Start date and close date	: September 21, 2020 to September 23, 2020
4.	Date of Book Closure for AGM	: From: September 18, 2020 To: September 24, 2020
5.	Dividend Payment, if any declared	: NA
6.	Listing on Stock Exchanges	: The Company's equity shares are listed on SME Platform of NSE on 13th August, 2015. The listing fee for the F.Y. 2020-21 has been paid.
7.	Custodian Fees to Depositories	: The Company has paid fees for the F.Y. 2020-21 to National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) on time.
8.	Symbol	: EMKAYTOOLS
9.	Registrar and Transfer Agents	: Bigshare Services Private Limited Registered office Address: E-2/3, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (E), Mumbai -400 072. Tel: 91-22-28470652   40430200   28470653 Fax: 91-22-2847 5207 Website: <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:investor@emkaytapsandtools.com">investor@emkaytapsandtools.com</a>

#### Market Price Data

Market data as available on NSE (India) Limited website <https://www.nseindia.com/emerge> during each month of the financial year 2019-20 is given below:

MONTH	HIGH (IN ₹)	LOW (IN ₹)	NO. OF SHARES TRADED
April 2019	-	-	-
May 2019	152.00	137.20	1800
June 2019	132.00	117.00	5400
July 2019	117.00	111.15	1800
August 2019	105.15	105.15	600
September 2019	99.90	99.90	600
October 2019	-	-	-
November 2019	94.95	94.95	600
December 2019	99.00	92.00	9000
January 2020	112.00	99.00	6000
February 2020	164.00	115.00	441000
March 2020	160.00	106.85	311400

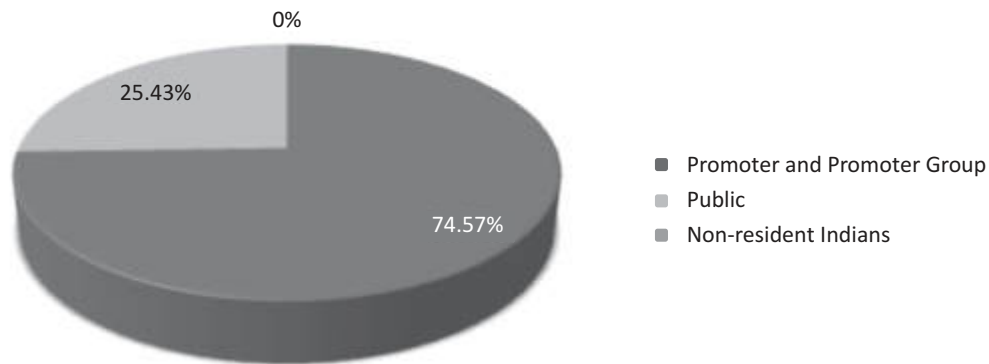
Note: No shares were traded in the month of April 2019 & October 2019 hence no data available.



#### Shareholding Pattern as on 31<sup>st</sup> March 2020

Categories	Total Shareholder	% of shareholders	No. Of shares held	Percentage of total (%)
<b>B. Promoter and Promoter Group</b>	<b>06</b>	<b>06.90</b>	<b>7957200</b>	<b>74.567</b>
Promoters	04	04.60	6062100	56.808
Corporate Bodies (Promoter Group)	02	02.30	1592700	17.759
Person related to Director	00	00.00	00	00.000
<b>C. Public</b>	<b>81</b>	<b>93.10</b>	<b>2714100</b>	<b>25.433</b>
Non-Institutional (Individual)	68	78.16	1673100	15.68
Corporate Bodies	04	4.60	1017600	9.54
Clearing members	01	1.15	2400	0.02
Any other(HUF)	08	9.20	21000	0.19
<b>D. Non-resident Indians</b>	<b>00</b>	<b>00.00</b>	<b>00</b>	<b>00.000</b>
<b>TOTAL (A+B+C)</b>	<b>87</b>	<b>100.00</b>	<b>10671300</b>	<b>100.000</b>

#### ◆ Shareholding Pattern



#### ◆ Distribution of Shareholding

Shareholding of nominal		Number of shareholders	Percentage of total	Share amount	Percentage of total
(₹)	(₹)				
501	1000	8	8.6957	4800	0.045
1001	2000	7	7.6087	10500	0.0984
2001	3000	33	35.8696	79800	0.7478
4001	5000	8	8.6957	37200	0.3486
5001	10000	5	5.4348	40800	0.3823
10001	999999999	31	33.6957	10498200	98.3779
	TOTAL	92	100.0000	10671300	100.0000

#### ◆ Top 10 Shareholders as on March 31, 2020

Sr. No.	Name of shareholder	Category of shareholder	No. of shares held	% of holding
1.	Ajayprakash Kanoria (HUF)	Promoter	4322160	40.5027
2.	Nagpur Tools Private Limited	Corporate Promoter Group	1893600	17.7448
3.	Alka Ajayprakash Kanoria	Promoter	1124190	10.5347
4.	Sudarshan Trading and Manufacturing Pvt. Ltd.	Corporate Bodies	916800	8.5913
5.	Ajayprakash Kanoria	Promoter	614250	5.7561
6.	Naginadevi Agrawal	Public	244800	2.2940
7.	Shilpa Maloo	Public	241800	2.2659
8.	Rahim Khan	Public	205800	1.9285
9.	Brajkishore Agrawal	Public	180000	1.6868

♦ **Shares held in dematerialized form as on March 31, 2020**

Particulars	Number of shares	% of total issued capital
Issued Capital / Listed Capital (as per Company records)	10671300	100.00
Held in Dematerialized form in NSDL	1754100	16.44
Held in Dematerialized form in CDSL	8917200	83.56
Physical	00	0.00
<b>Total No. of shares</b>	<b>10671300</b>	<b>100.00</b>

♦ **Legends used in the report:**

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

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Nagpur, Saturday August 29, 2020

 **Shruti Sohane**  
Company Secretary & Compliance 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.

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Nagpur, Saturday August 29, 2020

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

## 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, 2018 ("Listing Regulation") of the said Company with the Stock Exchange.


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

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

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

Nagpur, Saturday August 29, 2020

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, 2018, we hereby certify as under:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Code of Conduct of the Company.
- c) We accept responsibility for establishing and maintaining

internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d) We do Further certify that there has been:
  - i. No Significant changes in internal control over financial reporting during the year;
  - ii. No Significant changes in accounting policies during the year;
  - iii. No Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Nagpur, Saturday August 29, 2020

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.

During the FY 2019-20, the business environment was competitive in the first half year, the demand for products remained sluggish during the second half year and the year ended with COVID-19 pandemic resulted in lockdowns. Overall, the year was a challenging business year. Towards the year end, COVID-19 pandemic and the economic shutdown in the country has disrupted billions of lives and are jeopardizing decades of development progress. The manufacturing activities were stopped from March 22, 2020, in pursuance of countrywide lockdown announced by the Government of India and Government of Maharashtra against the spread of COVID-19. Due to this during the month of April-May 2020 there was complete washout in the business activities however, the management anticipate 10-20% normalization during the month of June 2020.

The sales of cutting tools till November 2018 saw a robust growth. There has been a slowdown in the auto sector, which has resulted in corresponding slowdown in our growth. We expect that this will continue till Aug-Sep 2020 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 marked exports of Rs. 54.67 lakh during the current year. which is 38.55% low as compared to previous financial year exports of Rs. 88.97 lakh. This is due to preliminary adverse effects of COVID-19 and if the pandemic situation worldwide gets better we are optimistic to have further growth during the coming years.

### ◆ **Pandemic, Recession: The Global Economy in Crisis.**

Global growth is projected at -4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperilling the significant progress made in reducing extreme poverty in the world since the 1990s.

The COVID-19 pandemic has, with alarming speed, delivered a global economic shock of enormous magnitude, leading to steep recessions in many countries. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020-the deepest global recession in eight decades, despite unprecedented policy support. Per capita incomes in the vast majority of EMDEs are expected to shrink this year. The global recession would be deeper if bringing the pandemic under control took longer than expected,

or if financial stress triggered cascading defaults. The pandemic highlights the urgent need for health and economic policy action-including global cooperation-to cushion its consequences, protect vulnerable populations, and improve countries' capacity to prevent and cope with similar events in the future. Since EMDEs are particularly vulnerable, it is critical to strengthen their public health care systems, to address the challenges posed by informality and limited safety nets, and, once the health crisis abates, to undertake reforms that enable strong and sustainable growth. Source: <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>

### ◆ **Indian Overview**

In India, growth is estimated to have slowed to 4.2 percent in FY 2019/20 (the year ending in March-2020) and output is projected to contract by 3.2 percent in FY2020/21, when the impact of COVID-19 will largely materialize. Stringent measures to restrict the spread of the virus, which heavily curtail activity, will contribute to the contraction. Spillovers from contracting global growth and balance sheet stress in the financial sector will also adversely impact activity, despite some support from fiscal stimulus and continued monetary policy easing. Source: <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>

In 2019, India's real gross domestic product growth was at about 4.23 percent compared to the previous year. Recent years have witnessed a shift of economic power and attention to the strengthening economies of the BRIC countries: Brazil, Russia, India, and China. The growth rate of gross domestic product in the BRIC countries is overwhelmingly larger than in traditionally strong economies, such as the United States and Germany.

Despite the world-wide recession in 2008 and 2009, India still managed to record impressive GDP growth rates, especially when most of the world recorded negative growth in at least one of those years. Part of the reason for India's success is the economic liberalization that started in 1991 and encouraged trade subsequently ending some public monopolies. GDP growth has slowed in recent years, due in part to skyrocketing inflation. India's workforce is expanding in the industry and services sectors, growing partially because of international outsourcing - a profitable venture for the Indian economy. Source: <https://www.statista.com/statistics/263617/gross-domestic-product-gdp-growth-rate-in-india/>

### ◆ **COVID-19: current and post pandemic effects**

COVID-19, the accompanying lockdowns and the expected contraction in global output in 2020 weigh heavily on the growth outlook. The actual out turn would depend upon the speed with which the outbreak is contained and economic activity returns to normalcy. Significant monetary and liquidity measures taken by the Reserve Bank and fiscal measures by the government would mitigate the adverse impact on domestic demand and help spur

economic activity once normalcy is restored. Risks around the inflation projections appear balanced at this juncture and the tentative outlook is benign relative to recent history. But COVID-19 hangs over the future, like a spectre. Source: RBI Monetary policy April 2020

#### ◆ 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 light of the above scenario and prevailing pandemic, which present tossup scenario for the overall economy, we are optimistic that the "Our Industry" in India will continue to do well to have sustained performance during FY 2020-21.

#### ◆ Automobile Industry

India became the fifth largest auto market in 2019 with sales reaching to 3.81 million units. It was the seventh largest manufacturer of commercial vehicles in 2019. The two wheelers segment dominate 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. In addition, several initiatives by the Government of India and major automobile players in the Indian market is expected to make India a leader in the two-wheeler and four-wheeler market in the world by 2020. 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-components industry expanded 10.6 per cent to reach US\$ 56.52 billion in FY19. Auto-components industry account 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 favourable destination for investment. Source: <https://www.ibef.org/industry/autocomponents-india.aspx>

#### ◆ Indian Engineering and Capital Goods Industry

India's engineering sector has witnessed a remarkable growth over the last few years driven by increased investment 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.

India, on its quest to become a global superpower, has made significant stride towards developing its engineering sector. The Government has appointed Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products, and services from India. India export transport equipment, capital goods, other machinery/equipment, and light engineering products such as castings, forgings, and fasteners to various countries of the world. The Indian semiconductor industry offers a high growth potential area as industries which source semiconductors as inputs are themselves witnessing high demand.

India became a permanent member of the Washington Accord (WA) in June 2014. The country is now a part of an exclusive group of 17 countries who are permanent signatories of the WA, an elite international agreement on engineering studies and mobility of engineers.

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

#### ◆ Aerospace and Defense (A&D) Industry

India is continuously making efforts to move forward in the field of defense and technology sector. Before independence, our country was ahead of many countries in the defense sector. We had several ordinance factories. Some countries which were behind us are ahead of us. After independence, we could not take advantage of our experiences. However, today India is continuously making efforts to move forward in defense and technology sector. India is moving towards self-reliance.

After a strong year in 2018, the global aerospace and defense (A&D) industry has experienced a descent in 2019. While the defense sector has continued to soar, growth in the commercial aerospace sector has slowed. In 2020, the A&D industry is expected to get back to its growth trajectory with the commercial aerospace sector recovering from its decline in 2019.

The defense sector has sustained its growth in 2019 as security threats have intensified, requiring governments worldwide to continue increasing their defense budgets. Defense expenditure is expected to grow between 3 and 4 percent in 2020 to reach an estimated US\$1.9 trillion, as governments worldwide continue to modernize and recapitalize their militaries. Most of the growth will likely be driven by increased defense spending in the United States, as well as in other regions, such as China and India.

The commercial aerospace sector has experienced a decline in deliveries in 2019 due to production related issues in certain aircraft models. Order backlog of commercial aircraft has also decreased from the 2018 peak levels of about 14,700 aircraft to slightly more than 14,000 at the end of August 2019. This was a result of order cancellations and a drop in new orders. However, commercial aerospace sector growth is likely to recuperate from 2020 onward as the long-term demand for commercial aircraft continues to remain robust, with nearly 40,000 units expected to be produced over the next two decades.

Source: <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Manufacturing/gx-global-outlook-ad-2020.pdf>

## Atmanirbhar Bharat: Vocal for Local

Prime Minister of India has reiterated his appeal to citizens for buying 'Made in India' products and said that if people buy local products and become 'vocal for local' then they are playing a role in strengthening the country. Every citizen of the country must resolve to turn this crisis into an opportunity. We have to make this a major turning point for this nation by pledging to be - A self-reliant India. This self-reliant policy does not aim to be protectionist in nature or Self-reliant India does not mean cutting off from rest of the world". The law and IT minister, said that self-reliance does "not mean isolating away from the world. Foreign direct investment is welcome, technology is welcome; being self-reliant, India translates to a bigger and more important part of the global economy. India's resolve is to protect its self-respect and sovereignty. India's goal is 'Atmanirbhar Bharat'. India's tradition is trust and friendship. India's spirit is fraternity.

This initiative of Government of India will help the Indian Economy as whole since local business and corporate houses alongwith MSME's whether in manufacturing or service sector would be able to increase their market and customer graph. Further, though Government measures and incentives per se Automobile industry are not sufficient enough to revive the demand to some extent Vocal for local would aid automobile and auto ancillary industry as well. Also, Atmanirbhar Bharat would lead to diminishing imports of cutting tools from China in some segments of the industry which would definitely be an opportunity for the company.

Amidst till the vaccine for pandemic is made available the situation would be unpredictable unless suitable measures to revive the automobile demand are taken by the Government.

## 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. The government of India Atmanirbhar Bharat initiative would lead to diminishing imports of cutting tools from China in some segments of the industry which would definitely be an opportunity for the company.

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, aerospace, 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. However, it is likely that adverse after effects of COVID-19 on overall economy may pose certain threats and challenges to the business.

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.

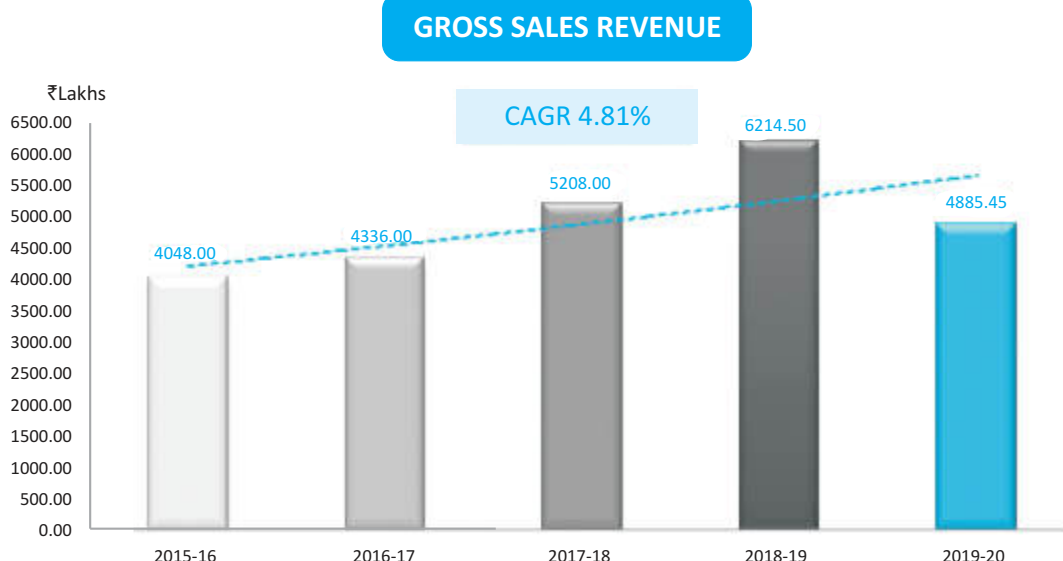
## Discussion on financial performance with respect to operational performance

### ◆ Revenue

Gross Revenue from main business operations of ₹ 50.68 crores was recorded in the previous financial year 2019-20, with a fall of

21.03% in comparison to FY 2018-19. This was majorly due to slowdown in automobile industry and outbreak of COVID-19 pandemic in the last quarter.

The financial year started with mediocre and clumsy sales in first quarter. In first half of 2019-20 sales marked for ₹ 27.27 crores which was 18.83% less as compared to September 2018. Further in next half year rather in start of last quarter of 2019-20 the world witnessed outbreak of COVID-19 pandemic which resulted lockdown in global economies and later in March 2020 also in India thus there was a drastic and humongous drop in sales.



### ◆ Profits

The company has earned Profit before depreciation, Interest and Taxes (PBDIT) of ₹ 21.75 crores during the financial year under review over the previous financial year's PBDIT of ₹ 16.00 crores. The profit after tax for the financial Year 2018-19 was ₹ 5.27 crores as against profit after tax of ₹ 14.20 crores for the financial year 2019-20.

stood at ₹ 111.09 crores as against ₹ 97.88 crores in the previous financial year.

### ◆ Earnings per share (EPS)

The basic and diluted EPS of ₹ 10 paid up share are ₹ 13.31 and ₹ 13.31 respectively for the financial year ended March 31, 2020. The previous year's basic and diluted EPS of ₹ 10 paid up share is ₹ 4.94 and ₹ 4.94 respectively.

### ◆ Net worth

As on March 31, 2020, the Net worth of the company stands at ₹ 121.76 crores as against ₹ 108.55 crores in the previous financial year.

### ◆ Dividend

Your Board of Directors declared interim dividend of ₹ 0.40 per equity share, on 10671300 total outstanding equity shares of ₹ 10/- each, amounting to ₹ 4268520/- in respect of the financial year 2019-20 as against 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.

**Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:**

1. Operating Profit Margin (%): Operating Profit margin for current year is 37.03%. During last year the operating profit margin was 20.37% because of negative other income, however there is a slight positive other income during the current year, and therefore operating profit margin is substantially higher as compared to last year.
2. Net Profit Margin (%): Net Profit margin for current year is 28.02% as against previous year 8.21%. Because of the above situation the net profit margin percentage substantially differs as compared to last year.

### ◆ Reserves and Surplus

The Reserves and Surplus of the Company as on 31<sup>st</sup> March 2020



### Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Return on Net Worth for current year is 11.66% as against previous year 4.85%. During the year, Operating Profit and net profit margin has substantially increased because of slight positive other income during the current year. Hence there is flare up impact on the return on Networth ratio in the current 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, 2020, 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, 2020, 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, 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 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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: July 16, 2020

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 31<sup>st</sup> March 2020, 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 31<sup>st</sup> March 2020 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 31<sup>st</sup> March 2020 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. Money 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.

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

xv. 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.

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

Place: Nagpur

Date: July 16, 2020

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, 2020 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: July 16, 2020

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, 2020, 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 2020

PARTICULARS	Note. No.	Figures as at the end of 31 <sup>st</sup> March 2020	Figures as at the end of 31 <sup>st</sup> March 2019
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	4	106,713,000.00	106,713,000.00
(b) Reserves And Surplus	5	1,110,858,061.74	978,799,979.38
(2) Share Application Money Pending Allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	6	-	140,765.00
(b) Deferred Tax Liabilities (Net)	7	11,029,809.00	14,104,668.00
(4) Current Liabilities			
(a) Short-Term Borrowings	8	33,598,424.78	28,535,256.60
(b) Trade Payables	9	23,419,969.06	41,698,014.86
(c) Other Current Liabilities	10	27,660,754.26	28,714,767.94
(d) Short-Term Provisions	11	49,821,229.00	81,117,562.00
Total :		1,363,101,247.84	1,279,824,013.78
<b>II. ASSETS</b>			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	209,512,739.63	171,142,597.60
(ii) Intangible assets			
(iii) Capital work-in-progress		763,452.67	14,437,318.76
(iv) Intangible assets under development			
(b) Non-Current Investments	13	783,550,240.81	650,418,616.91
(c) Deferred tax assets (net)			
(d) Long term loans and advances	14	1,357,644.00	1,515,244.00
(e) Other non-current assets	15	-	651,051.00
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	151,845,055.04	164,101,136.07
(c) Trade Receivables	17	139,413,879.64	165,088,246.49
(d) Cash And Cash Equivalents	18	13,710,876.57	14,097,454.17
(e) Short-Term Loans And Advances	19	7,944,030.53	18,892,214.24
(f) Other Current Assets	20	55,003,328.95	79,480,134.54
Total :		1,363,101,247.84	1,279,824,013.78
		-	-
Cash Flow Statement		Note 1	
Significant Accounting Policies		Note 2 & 3	
Notes forming Part of Balance Sheet		Note 1 to 45	

For Emkay Taps And Cutting Tools Ltd.


 **Ajayprakash Kanoria**  
Chairman,  
Managing Director & CEO  
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 : July 16, 2020


## Profit and Loss Account for the Year Ended 31<sup>st</sup> March 2020

PARTICULARS	Note No.	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
I. Revenue From Operations	21	506,765,329.25	641,829,204.69
II. Other Income	22	14,413,668.27	(125,838,386.99)
III. Total Revenue		521,178,997.52	515,990,817.70
IV Expenses			
(a) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	7,172,758.00	(3,823,342.96)
(b) Cost of Raw Material Consumed	24	80,051,430.86	91,759,954.35
(c) Cost of Stores Consumed	25	13,166,664.54	19,160,078.71
(d) Cost of Packing Material Consumed	26	4,017,202.28	4,676,122.90
(e) Cost of Trading Goods Consumed	27	160,052.17	158,548.56
(f) Manufacturing Expenses	28	114,792,867.31	155,983,353.17
(g) Windmill Expenses	29	2,846,388.81	3,775,431.00
(h) Shares Expenses	30	315,724.04	1,274,129.65
(i) Employee Benefit Expenses	31	36,870,164.70	38,968,966.96
(j) Administration Expenses	32	36,924,449.76	31,309,987.27
(k) Selling & Distribution Expenses	33	7,346,204.36	12,731,632.31
(l) Finance Costs	34	572,198.00	2,427,364.00
(m) Depreciation And Amortization Expenses	35	29,852,340.14	29,281,766.81
Total Expenses :		334,088,444.97	387,683,992.73
V. Profit Before Exceptional And Extraordinary Items And Tax	[III - IV]	187,090,552.55	128,306,824.97
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items And Tax	[V - VI]	187,090,552.55	128,306,824.97
VIII. Extraordinary Items		-	-
IX. Profit Before Tax	[VII - VIII]	187,090,552.55	128,306,824.97
X. Tax Expenses :			
(a) Income Tax	36	48,177,148.00	76,701,317.00
(b) Deferred Tax		(3,074,859.00)	(1,073,007.00)
XI. Profit / (Loss) From The Period From Continuing Operations	[IX - X]	141,988,263.55	52,678,514.97
XII. Profit / (Loss) From Discontinuing Operations		-	-
XIII. Tax Expense of Discounting Operations		-	-
XIV. Profit / (Loss) From Discontinuing Operations After Tax	[XII - XIII]	-	-
XV Profit / (Loss) For The Period	[XI + XIV]	141,988,263.55	52,678,514.97
XVI Earning per equity share :	37		
(1) Basic		13.31	4.94
(2) Diluted		13.31	4.94

For Emkay Taps And Cutting Tools Ltd.


 **Ajayprakash Kanoria**  
Chairman,  
Managing Director & CEO  
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 : July 16, 2020

## Note 1

### Statement of Cash Flow


Particulars	For the year ended	
	31.03.2020	31.03.2019
<b>Cash Flow From Operating Activities:</b>		
Profit before tax	187,090,552.55	128,306,824.97
Adjustment for:		
Depreciation & Amortisation Expenses	29,852,340.14	29,281,766.81
Interest Paid	572,198.00	2,427,364.00
- Interest Received / Other Non Operative Receipt	(14,413,668.27)	125,838,386.99
<b>Operating Profit before Working Capital Changes</b>	<b>203,101,422.42</b>	<b>285,854,342.77</b>
Movement in working capital		
Decrease / (Increase) in inventories	12,256,081.03	(41,505,132.72)
Decrease / (Increase) in trade receivable	25,674,366.85	(13,782,435.34)
Decrease / (Increase) in short term loans & advances	10,948,183.71	(13,425,511.60)
Decrease / (Increase) in other current assets	718,005.59	91,771.49
Increase / (Decrease) in trade payable	(18,278,045.80)	(999,242.10)
Increase / (Decrease) in other current liabilities	(1,054,013.68)	(7,775,835.78)
Increase / (Decrease) in short term provisions	(936,333.00)	360,322.00
<b>Cash Generated from Operation</b>	<b>232,429,667.12</b>	<b>208,818,278.72</b>
Taxes Paid (Net of Refunds)	(53,133,348.00)	(71,113,685.00)
<b>Net Cash from Operating Activities</b>	<b>179,296,319.12</b>	<b>137,704,593.72</b>
<b>Cash Flow Used In Investing Activities:</b>		
Fixed Asset Purchased (Net)	(53,897,565.08)	(44,323,165.36)
Interest Received / Other Non Operative Receipt	14,416,823.08	(125,838,386.99)
Adjustment for:		
Long Term Loan & Advances	157,600.00	(54,300.00)
Non Current Investments	(133,131,623.90)	57,563,568.99
Other Non Current Assets	-	-
<b>Net Cash flow used in Investing Activities</b>	<b>(172,454,765.90)</b>	<b>(112,652,283.36)</b>
<b>Cash Flow From Financing Activities:</b>		
Payment on Buy Back of Share Capital	-	-
Proceeds from Short term borrowings	5,063,168.18	(7,238,422.87)
Proceeds from Long term borrowings	(140,765.00)	(6,817,712.00)
Payment of Dividend and tax on it	(11,578,336.00)	(6,432,410.00)
Interest paid	(572,198.00)	(2,427,364.00)
<b>Net Cash flow from Financing Activities</b>	<b>(7,228,130.82)</b>	<b>(22,915,908.87)</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	(386,577.60)	2,136,401.49
Cash & Cash Equivalents at the beginning of the year	14,097,454.17	11,961,052.68
Cash & Cash Equivalents at the end of the year	13,710,876.57	14,097,454.17

#### 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 & CEO  
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 : July 16, 2020

## Notes Forming Part of the Financial Statements

Note	Particulars
2	The Company is presently engaged in the business of Manufacture of Taps and 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 valued 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 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. 12,37,188/- for Provident Fund contribution, Rs. 1,66,739/- 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 and 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 31<sup>st</sup> March 2020.</p>

## Note Forming Part of Balance Sheet as on 31<sup>st</sup> March, 2020

PARTICULARS	Figures as at the end of 31 <sup>st</sup> March 2020	Figures as at the end of 31 <sup>st</sup> March 2019
<b>Note 4</b>		
<b>SHARE CAPITAL</b>		
Authorised 1,20,00,000 Share of Rs. 10/- Each	120,000,000.00	120,000,000.00
Issued and Subscribed 1,06,71,300 Shares of Rs. 10/- Each Fully Paid Up	106,713,000.00	106,713,000.00
Paid Up 1,06,71,300 Shares of Rs. 10/- Each Fully Paid Up	106,713,000.00	106,713,000.00
<b>TOTAL :</b>	<b>106,713,000.00</b>	<b>106,713,000.00</b>

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

	Year Ended 31st March 2020		Year Ended 31st March 2019	
	No. of Share	In ₹	No. of Share	In ₹
Number of shares at the beginning of the year	10671300.00	106,713,000.00	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	10671300.00	106,713,000.00

### 4.2 Terms/Rights attached to equity Shares

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

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

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

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

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

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

	Year Ended 31st March 2020		Year Ended 31st March 2019	
	No. of Share	% Holding	No. of Share	% Holding
1. Ajayprakash Kanoria (HUF)	4322160	40.50%	4622160	43.31%
2. Alka Ajayprakash Kanoria	1124190	10.53%	1124190	10.53%
3. Nagpur Tools Pvt. Ltd.	1893600	17.74%	1591200	14.91%
4. Ajayprakash Kanoria	614250	5.76%	614250	5.76%
5. Sudarshan Trading & Manufacturing Pvt. Ltd.	916800	8.59%	1034400	9.69%



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

Particulars		Figures as on the end of 31 <sup>st</sup> March 2020		Figures as on the end of 31 <sup>st</sup> March 2019
<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	1,645,000.00	13,366,030.00	-	11,721,030.00
<b>Profit &amp; Loss Account</b>				
Balance as per last Balance Sheet	921,092,269.38		963,773,664.41	
Add : Profit During the year	141,988,263.55		52,678,514.97	
Add : Last Year Short Provision of Interest Received	3,154.81		-	
Less : Bonus Issue	-		88,927,500.00	
Less : Dividend Paid	9,604,170.00		5,335,650.00	
Less : Tax on Dividend	1,974,166.00	1,051,505,351.74	1,096,760.00	921,092,269.38
<b>Total :</b>		<b>1,110,858,061.74</b>		<b>978,799,979.38</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
<b>Secured Loans</b>		
a) ICICI Bank Term Loan (Secured against Equitable mortgage of Building and Plant & Machinery )	-	-
<b>Unsecured Loans</b>		
From Banks	-	-
From Others	-	140,765.00
<b>Total :</b>	<b>-</b>	<b>140,765.00</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
<b>Liabilities arising out of Fixed Assets</b>		
Balance as per Last Balance Sheet	14,104,668.00	15,177,675.00
Asset Created During the Year	3,074,859.00	11,029,809.00
<b>Total :</b>	<b>11,029,809.00</b>	<b>14,104,668.00</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
ICICI Bank Ltd : Cash Credit Account No. : 624251000017 (Secured Against Hypothecation of Entire Current Assets including Inventory, book debts & Receivable)	33,598,424.78		20,093,918.60	
ICICI Bank Ltd : Current Maturity of Long Term Loan due within 12 months (Secured against Equitable mortgage of Building and Plant & Machinery )	-		8,441,338.00	
		33,598,424.78		28,535,256.60
<b>Total :</b>		<b>33,598,424.78</b>		<b>28,535,256.60</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
Due to :				
Micro and Small Enterprises	762,978.41		604,005.01	
Other Payables	19,718,486.43		29,264,206.63	
Related Party	2,938,504.22	23,419,969.06	11,829,803.22	41,698,014.86
<b>Total :</b>		<b>23,419,969.06</b>		<b>41,698,014.86</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
Deposits & Advances Received	348,654.00		501,176.68	
Liability For Expenses	19,847,963.15		16,816,509.91	
Statutory Liabilities	7,422,259.30		8,923,865.54	
Other Credit Balances	41,877.81	27,660,754.26	2,473,215.81	28,714,767.94
<b>Total :</b>		<b>27,660,754.26</b>		<b>28,714,767.94</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
For Employee Benefits	1,713,964.00		1,905,909.00	
For Others	48,107,265.00	49,821,229.00	79,211,653.00	81,117,562.00
<b>Total :</b>		<b>49,821,229.00</b>		<b>81,117,562.00</b>

## Note 12

## FIXED ASSES (TANGIBLE)

PARTICULARS	RATE OF DEP.	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		BALANCE AS ON 01-04-2019	ADDITION DURING THE YEAR	SALE/ TRANSFER DURING THE YEAR	BALANCE AS ON 31-03-2020	BALANCE AS ON 01-04-2019	DEPRECIATION DURING THE YEAR	DEPRECIATION REVERSED	BALANCE AS ON 31-03-2020	BALANCE AS ON 31-03-2019	BALANCE AS ON 31-03-2019
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	15,656,967.55	-	32,129,964.89	8,812,851.51	731,777.82	-	9,544,629.33	22,585,335.56	7,660,145.83
Building No. 2	9.50%	3,833,547.56	-	-	3,833,547.56	2,603,874.66	116,818.92	-	2,720,693.58	1,112,853.98	1,229,672.90
Furniture & Fixture	25.89%	1,992,166.86	1,171,124.40	-	3,163,291.26	1,681,405.48	163,159.62	-	1,844,565.10	1,318,726.16	310,761.38
Mobile Phone	63.16%	577,994.00	-	-	577,994.00	505,488.57	31,571.03	-	537,059.60	40,934.40	72,505.43
Office Equipments	45.07%	2,079,870.08	275,022.92	-	2,354,893.00	1,763,363.61	152,427.72	-	1,915,791.33	439,101.67	316,506.47
Plant & Machinery	18.10%	255,433,881.94	46,981,728.52	119,938.00	302,295,672.46	148,975,957.87	20,226,210.15	65,486.69	169,136,681.33	133,158,991.13	106,457,924.07
Generator	18.10%	897,150.00	-	-	897,150.00	852,292.50	-	-	852,292.50	44,857.50	44,857.50
Compressors	18.10%	2,188,404.41	-	-	2,188,404.41	1,243,664.29	168,536.00	-	1,412,200.29	776,204.12	944,740.12
Transformers	18.10%	816,008.40	176,779.60	-	992,788.00	124,614.38	151,432.45	-	276,046.83	716,741.17	691,394.02
Transport Trolleys	18.10%	61,830.00	-	-	61,830.00	28,568.98	6,020.24	-	34,589.22	27,240.78	33,261.02
Coolant Tower (L-6)	18.10%	812,499.79	-	-	812,499.79	402.91	146,989.54	-	147,392.45	665,107.34	812,096.88
Air Conditioners	18.10%	1,792,769.63	480,899.28	-	2,273,668.91	1,396,632.86	128,514.90	-	1,525,147.76	748,521.15	396,136.77
Elevator (Lift)	18.10%	-	673,728.82	-	673,728.82	-	50,976.97	-	50,976.97	622,751.85	-
Computers	63.16%	4,948,976.84	80,423.24	-	5,029,400.08	4,482,953.27	186,585.50	-	4,669,538.77	359,861.31	466,023.57
Computer Software	63.16%	600,236.96	-	-	600,236.96	570,023.18	201.93	-	570,225.11	30,011.85	30,213.78
Inspection Equipments	18.10%	3,575,651.24	727,573.84	-	4,303,225.08	2,345,525.48	310,610.92	-	2,656,136.40	1,647,088.68	1,230,125.76
Electricals Installations	25.89%	2,613,757.09	952,627.76	-	3,566,384.85	1,620,469.28	360,292.14	-	1,980,761.42	1,585,623.43	993,287.81
Fax Machine	18.10%	108,046.00	-	-	108,046.00	102,643.70	-	-	102,643.70	5,402.30	5,402.30
Pollution Control Equipment	18.10%	853,106.34	396,677.16	-	1,249,783.50	779,992.25	71,703.94	-	851,696.19	398,087.31	73,114.09
Motor Car	31.23%	12,440,421.12	-	-	12,440,421.12	7,928,890.78	1,383,954.45	-	9,312,845.23	3,127,575.89	4,511,530.34
Loader E-Cart (Electric Rickshaw)	31.23%	-	117,816.08	-	117,816.08	-	29,254.22	-	29,254.22	88,561.86	-
Motor Cycle	25.89%	197,745.00	-	-	197,745.00	146,386.41	12,995.64	-	159,382.05	38,362.95	51,358.59
TOTAL (A) :		314,413,770.60	67,691,369.17	119,938.00	381,985,201.77	185,966,001.97	24,430,034.10	65,486.69	210,330,549.38	171,654,652.39	128,447,768.63
WIND MILL DIVISION :											
Wind Mill [Mysore]	12.73%	61,290,546.00	-	-	61,290,546.00	47,598,926.29	1,742,943.19	-	49,341,869.48	11,948,676.52	13,691,619.71
Wind Mill 2 [Rajasthan]	12.73%	82,800,000.00	-	-	82,800,000.00	58,496,790.74	3,093,798.54	-	61,590,589.28	21,209,410.72	24,303,209.26
Lease Hold Land	0.00%	1,500,000.00	-	-	1,500,000.00	-	-	-	-	1,500,000.00	1,500,000.00
Lease Hold Land 2 [Rajasthan]	0.00%	3,200,000.00	-	-	3,200,000.00	-	-	-	-	3,200,000.00	3,200,000.00
TOTAL (B) :		148,790,546.00	-	-	148,790,546.00	106,095,717.03	4,836,741.73	-	110,932,458.76	37,858,087.24	42,694,828.97
TOTAL (A+B) :		463,204,316.60	67,691,369.17	119,938.00	530,775,747.77	292,061,719.00	29,266,775.83	65,486.69	321,263,008.14	209,512,739.63	171,142,597.60
PREVIOUS YEAR :		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	169,887,468.81

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
a) In Mutual Funds	197,379,920.58		278,535,609.78	
b) In Quoted Equity Shares	567,314,044.30		365,081,316.04	
c) In Unquoted Equity Shares	979,205.00		979,205.00	
d) In Fixed Deposit Receipts	17,877,070.93	783,550,240.81	5,822,486.09	650,418,616.91
<b>Total :</b>		<b>783,550,240.81</b>		<b>650,418,616.91</b>

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

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
a) Capital Advances (Unsecured and considered good)	22,000.00		22,000.00	
b) Security Deposits	1,335,644.00		1,493,244.00	
c) Other Loans & Advances	-	1,357,644.00	-	1,515,244.00
<b>TOTAL :</b>		<b>1,357,644.00</b>		<b>1,515,244.00</b>

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

(Miscellaneous Expenses to the extent not written off)

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
a) Listing Expenses	-		-	651,051.00
<b>TOTAL :</b>		<b>-</b>		<b>651,051.00</b>

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

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
Raw Material	72,396,547.00		77,180,911.20	
Consumable Stores	2,176,426.00		2,475,384.83	
Work In Progress	3,002,784.04		7,200,409.04	
Finished Goods	73,972,018.00		77,066,956.00	
Trading Goods	1,600.00		1,600.00	
Scrap Material (At Estimated Realisable Value)	295,680.00	151,845,055.04	175,875.00	164,101,136.07
<b>TOTAL :</b>		<b>151,845,055.04</b>		<b>164,101,136.07</b>

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

Particulars		As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
<u>Outstanding for more than 6 months</u>					
a)	Secured & Considered Good	-		-	
b)	Unsecured & Considered Good	8,088,739.24		12,034,614.07	
c)	Considered Doubtful	-	8,088,739.24	-	12,034,614.07
<u>Others</u>					
a)	Secured & Considered Good	-		-	
b)	Unsecured & Considered Good	131,325,140.40		153,053,632.42	
c)	Considered Doubtful	-	131,325,140.40	-	153,053,632.42
TOTAL :		139,413,879.64		165,088,246.49	

**Note 18**
**CASH AND CASH EQUIVALENTS :**

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
Cash in Hand (As certified by the Management)	47,600.92		53,611.92	
Balances with Bank	13,663,275.65	13,710,876.57	14,043,842.25	14,097,454.17
<b>TOTAL :</b>		<b>13,710,876.57</b>		<b>14,097,454.17</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
Advances with the Suppliers	5,579,967.80		16,386,384.71	
Loans & Advances to Staff	967,268.00		1,509,902.00	
Other Advances	1,396,794.73	7,944,030.53	995,927.53	18,892,214.24
<b>TOTAL :</b>		<b>7,944,030.53</b>		<b>18,892,214.24</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
Advances with Revenue Authorities	54,609,496.43		79,043,605.54	
Other Debit Balances	393,832.52	55,003,328.95	436,529.00	79,480,134.54
<b>TOTAL :</b>		<b>55,003,328.95</b>		<b>79,480,134.54</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
1. Domestic Sale				
Sale of Taps & Tools				
a) Sales	576,098,846.71		735,287,002.20	
b) Deemed Export Sales (SEZ)	1,524,256.00		3,420,067.00	
<b>TOTAL:-</b>	<b>577,623,102.71</b>		<b>738,707,069.20</b>	
Less : CGST Receipts	15,603,961.93		20,831,053.40	
: SGST Receipts	15,603,961.93		20,831,053.40	
: IGST Receipts	56,671,538.70		70,500,292.59	
: Discount & Rate Difference	5,129,402.53		10,057,368.19	
: Sales Return	1,753,040.28	482,861,197.34	4,104,490.81	612,382,810.81
2. Export Sale				
a) Sale of Taps & Tools	5,466,985.03	5,466,985.03	8,897,211.00	8,897,211.00
3. Trading Sale				
a) Sale of Taps & Tools	255,983.00		212,268.00	
Less : CGST, SGST & IGST	39,048.12	216,934.88	32,380.02	179,887.98
4. Scrap Sale				
a) Scrap Sale	3,751,005.00		6,127,753.76	
Less : CGST, SGST, IGST & TCS	598,900.00	3,152,105.00	978,381.66	5,149,372.10
5. Scrap Sale (Miscellaneous)				
a) Misc. Scrap Sale	37,058.00		101,171.00	
Less : CGST, SGST, IGST & TCS	2,098.00	34,960.00	5,727.00	95,444.00
6. Power Generation Unit Sale				
Power Generation Unit Sale	15,127,248.00		13,340,381.00	
Less : Discount	94,101.00	15,033,147.00	162,917.50	13,177,463.50
7. Sales of Raw Material		-		1,812,700.00
8. Job Work Receipts		-		134,315.30
<b>TOTAL :</b>		<b>506,765,329.25</b>		<b>641,829,204.69</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
Dividend Received		7,216,105.25		8,711,575.00
Duty Draw Back Receipts		3,390.00		683.00
Exchange Rate Fluctuation		437,028.42		1,489,773.97
F.D.R. Interest Received		678,839.52		494,343.00
Interest Received		109,918.21		90,196.00
Profit on Sale of Motor Car		-		273,876.47
Sales Tax / Service Tax Refund		-		36,429.00
Short Term Capital Gain	670,966.55		157,081.20	
Less : Short Term Capital Loss	-	670,966.55	130,574,638.11	(130,417,556.91)
Long Term Capital Gain	-		31,860,268.23	
Less : Long Term Capital Loss	2,206,580.88	(2,206,580.88)	54,803,564.60	(22,943,296.37)
Short Term Gain on Mutual Fund	7,541,558.49		617,138.48	
Less : Short Term Loss on Mutual Fund	37,557.29	7,504,001.20	-	617,138.48
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>14,413,668.27</b>		<b>(125,838,386.99)</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
<b>1. Finished Goods :</b>				
Opening stock	77,066,956.00		73,814,130.12	
Less : Closing stock	73,972,018.00	3,094,938.00	77,066,956.00	(3,252,825.88)
<b>2. Work-In-Progress :</b>				
Opening stock	7,200,409.04		6,402,566.96	
Less : Closing stock	3,002,784.04	4,197,625.00	7,200,409.04	(797,842.08)
<b>3. Scrap Material :</b>				
Opening stock	175,875.00		403,200.00	
Less : Closing stock	295,680.00	(119,805.00)	175,875.00	227,325.00
<b>TOTAL :</b>		<b>7,172,758.00</b>		<b>(3,823,342.96)</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
Opening Stock	77,180,911.20		39,075,493.00	
Add : Purchase of Raw Material	73,596,044.05		128,195,870.90	
Add : Purchase of HSS Taps	1,671,022.61		1,669,501.65	
	152,447,977.86		168,940,865.55	
Less : Closing Stock of Raw Material	72,396,547.00	80,051,430.86	77,180,911.20	91,759,954.35
<b>TOTAL :</b>		<b>80,051,430.86</b>		<b>91,759,954.35</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
Opening Stock	2,475,384.83		2,885,193.55	
Add : Purchase of Consumable Stores	12,867,705.71		18,750,269.99	
Less : Closing stock of Consumable Stores	2,176,426.00	13,166,664.54	2,475,384.83	19,160,078.71
<b>TOTAL :</b>		<b>13,166,664.54</b>		<b>19,160,078.71</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Purchases	4,017,202.28	4,676,122.90
<b>TOTAL :</b>	<b>4,017,202.28</b>	<b>4,676,122.90</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Opening Stock	1,600.00	15,419.72
Add : Purchase of Trading Goods	160,052.17	144,728.84
Less : Closing stock of Trading Goods	1,600.00	1,600.00
<b>TOTAL :</b>	<b>160,052.17</b>	<b>158,548.56</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Building Repairs	735,819.42	1,351,833.00
Electricity Charges	10,170,004.21	11,304,229.00
Freight & Octroi	762,089.66	975,024.08
Job Work Expenses	93,054,097.04	128,778,049.12
Repairs and Maintenance	9,808,654.29	13,307,016.38
Testing Expenses	5,901.00	14,527.50
Water Charges	256,301.69	252,674.09
<b>TOTAL :</b>	<b>114,792,867.31</b>	<b>155,983,353.17</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Electrical Inspection Charges	-	14,660.00
Insurance (Wind Mill)	66,641.00	131,379.00
Repairs & Maintenance	2,779,747.81	3,629,392.00
<b>TOTAL :</b>	<b>2,846,388.81</b>	<b>3,775,431.00</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Security Transaction Tax	227,155.00	603,710.00
Stamping Charges	22,722.66	62,350.28
Stock Holding Expenses	5,462.77	48,875.61
Transaction Charges	7,390.39	40,398.28
Share Expenses	2,453.64	400,201.79
SEBI Tax	227.17	936.79
SGST & CGST on Shares	50,312.41	117,656.90
<b>TOTAL :</b>	<b>315,724.04</b>	<b>1,274,129.65</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Bonus	2,599,833.00	2,410,204.00
E. S. I. C.	166,739.00	259,223.00
Exgratia	1,233,245.00	965,038.00
Gratuity	1,742,221.00	1,970,314.00
Incentive A/c.	3,388,622.00	4,261,004.00
Labour Welfare	627,892.70	778,500.96
Leave with Wages	383,321.00	345,035.00
Medical Expenses	45,353.00	48,546.00
Provident Fund	1,237,188.00	1,130,484.00
Salary and Wages	25,445,750.00	26,800,618.00
<b>TOTAL :</b>	<b>36,870,164.70</b>	<b>38,968,966.96</b>

**Note 32**
**ADMINISTRATION EXPENSES :**

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Profession Tax	5,000.00	5,000.00
Bank Charges	447,695.78	993,266.13
Books and Periodicals	3,795.00	43,874.00
Car Expenses	298,339.50	406,008.16
Computer Software Expenses	457,400.00	168,300.00
Conveyance Expenses	1,587,936.00	1,426,425.00
Consultancy Fees	18,000.00	28,500.00
CSR Expenses	4,017,320.00	4,168,481.00
Director Travelling Expenses	1,601,546.42	1,373,491.13
Donation	6,100.00	38,100.00
Insurance	819,362.24	701,894.00
Interest on Service Tax, GST, VAT & TDS	114,086.00	105,247.00
Keyman Insurance	2,500,000.00	2,500,000.01
Legal and Professional Expenses	1,036,648.74	2,897,696.00
Licence Fees	208,700.00	63,574.00
Membership Fees and Subscription	142,479.00	130,418.00
Office Expenses	595,089.05	485,810.96
Postage & Telegram Expenses	77,100.28	107,145.00
Printing and Stationery	786,101.42	531,286.24
Rent, Rates and Taxes	726,473.00	739,615.00
Security Service Charges	688,512.00	753,764.32
Sundry Balances W/Off	4,546,217.87	173,020.70
Telephone Expenses	463,737.60	579,122.89
Traveling Expenses	1,201,842.86	1,481,964.73
GST / VAT Audit Fees	51,800.00	27,800.00
VAT/CST Expenses	194,247.00	15,727.00
GST Expenses	10,890.00	-
Cenvat / Excise	-	62,426.00
ROC Expenses	-	22,606,419.76
<b>Payment to Directors</b>		<b>1,038,930.00</b>
- For Remuneration	9,354,530.00	5,307,600.00
- For Salary	4,800,000.00	4,800,000.00
- For Sitting Fees	43,500.00	55,500.00
<b>Payment to Auditors</b>		<b>10,163,100.00</b>
- For Audit	120,000.00	100,000.00
- For Taxation	-	-
- For Consultancy & Others	-	100,000.00
<b>TOTAL :</b>	<b>36,924,449.76</b>	<b>31,309,987.27</b>



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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Advertisement	323,835.96	2,848,331.96
Carriage Outward	4,113,378.47	5,326,743.59
Commission on Sales	1,863,599.00	2,669,015.00
Entertainment Expenses	55,334.00	13,582.00
Hospitality Expenses	5,046.38	90,121.97
Sales Promotion	186,355.55	407,424.79
Sales Promotion & Consultancy Charges	798,655.00	1,376,413.00
<b>TOTAL :</b>	<b>7,346,204.36</b>	<b>12,731,632.31</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Bank Interest	398,141.00	667,420.00
Interest on Term Loan	174,057.00	1,759,944.00
<b>TOTAL :</b>	<b>572,198.00</b>	<b>2,427,364.00</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Depreciation for the Year	29,266,775.83	28,630,717.81
Less:- Depreciation reversed	65,486.69	29,201,289.14
1/5th Listing Expenses written off	651,051.00	651,049.00
<b>TOTAL :</b>	<b>29,852,340.14</b>	<b>29,281,766.81</b>

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


Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Current Year Income Tax Provision	47,640,000.00	78,000,000.00
Add : Tax for Earlier Year	-	509,678.00
: Short Provision of Income Tax of Earlier Year	537,148.00	-
Less : Excess provision of income Tax Earlier Year	-	1,808,361.00
<b>TOTAL :</b>	<b>48,177,148.00</b>	<b>76,701,317.00</b>

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

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
(A) Profit for the Year	141,988,263.55	52,678,514.97
(B) Weighted Average Number of Shares	10671300.00	10671300.00
Basic Earning Per Share	13.31	4.94
Diluted Earning per Share	13.31	4.94

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


**Ajayprakash Kanoria**  
Chairman,  
Managing Director & CEO  
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 : July 16, 2020

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

Particulars	31 <sup>st</sup> March 2020				31 <sup>st</sup> March 2019			
	Tools	Power	Others	Total	Tools	Power	Others	Total
<b>Revenues</b>								
Sales to External Customers	492,631,632.00	15,033,147.00	13,514,219.00	521,178,998.00	630,760,783.00	13,177,464.00	(127,947,429.00)	515,990,818.00
Total Segmental Revenues	492,631,632.00	15,033,147.00	13,514,219.00	521,178,998.00	630,760,783.00	13,177,464.00	(127,947,429.00)	515,990,818.00
<b>Segmental Result</b>								
Profit before Interest	175,290,739.00	7,297,834.00	5,074,178.00	187,662,751.00	265,955,482.00	3,741,451.00	(138,962,744.00)	130,734,189.00
(net of allocated corporate expenses)								
Less: unallocated corporate expenses								
(Net of Other Income)								
Operating Profit	175,290,739.00	7,297,834.00	5,074,178.00	187,662,751.00	265,955,482.00	3,741,451.00	(138,962,744.00)	130,734,189.00
Interest (net of income)	572,198.00	-	-	572,198.00	2,427,364.00	-	-	2,427,364.00
Profit before Tax	174,718,541.00	7,297,834.00	5,074,178.00	187,090,553.00	263,528,118.00	3,741,451.00	(138,962,744.00)	128,306,825.00
Provision for Tax								
- Current Tax				48,177,148.00				76,701,317.00
- Deferred Tax				(3,074,859.00)				(1,073,007.00)
Profit from Ordinary Activities	174,718,541.00	7,297,834.00	5,074,178.00	141,988,264.00	263,528,118.00	3,741,451.00	(138,962,744.00)	52,678,515.00
Extraordinary Items								-
Net Profit	174,718,541.00	7,297,834.00	5,074,178.00	141,988,264.00	263,528,118.00	3,741,451.00	(138,962,744.00)	52,678,515.00

Particulars	31 <sup>st</sup> March 2020				31 <sup>st</sup> March 2019			
	Tools	Power	Others	Total	Tools	Power	Others	Total
Other Information								
Segmental Assets	481,713,833.00	44,941,758.00	836,445,657.00	1,363,101,248.00	502,140,562.00	44,177,323.00	733,506,129.00	1,279,824,014.00
Unallocated Corporate Assets								
Total Assets	481,713,833.00	44,941,758.00	836,445,657.00	1,363,101,248.00	502,140,562.00	44,177,323.00	733,506,129.00	1,279,824,014.00
Segmental Liabilities	86,704,252.00	-	156,125.00	86,860,377.00	102,071,576.00	32,000.00	102,790.00	102,206,366.00
Unallocated Corporate Liabilities								
Total Liabilities	86,704,252.00	-	156,125.00	86,860,377.00	102,071,576.00	32,000.00	102,790.00	102,206,366.00
Capital Expenditure during the year (Including Movement in CWIP)	54,017,503.00	-	-	54,017,503.00	43,555,053.00	-	-	43,555,053.00
Depreciation & Amortisation Exps.	24,364,547.00	4,836,742.00	651,051.00	29,852,340.00	23,088,445.00	5,542,273.00	651,049.00	29,281,767.00

**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, 2020
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. Segments' 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 31 <sup>st</sup> , 2020	As on March 31 <sup>st</sup> , 2019
Salary Allowances & Others	33,724,017	35,608,946
Defined contribution plan	1,403,927	1,389,707
Defined benefit plan/other long term benefits	1,742,221	1,970,314
Share based compensation	-	-
<b>TOTAL</b>	<b>36,870,165</b>	<b>38,968,967</b>

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

The major components of the Income Tax Expenses are Follows :

Particulars	As on March 31 <sup>st</sup> , 2020	As on March 31 <sup>st</sup> , 2019
<u>Current Income Tax</u>		
in India	47,640,000	78,000,000
Overseas	-	-
<u>Deferred Tax</u>		
Relating to origination and reversal of (3,074,859) temporary differences	(1,073,007)	-
Relating to changes in tax rates	-	-
Tax expense attributable to current year's profit (A) :-	44,565,141	76,926,993
Adjustments in respect of income tax of previous year :		
<u>Current income tax</u>		
in India	537,148	(1,298,683)
Overseas	-	-
Total (B) :-	537,148	(1,298,683)
<b>Total (A+B) :-</b>	<b>45,102,289</b>	<b>75,628,310</b>

The company during the Period has earned a profit of Rs. 18,70,90,552.55, A provision of Rs. 4,76,40,000.00 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 31<sup>st</sup>, 2020 and Year ended March 31<sup>st</sup>, 2019, respectively are described below :

**RELATED PARTY DISCLOSURE**

A. Key Mangement Persons :	B. Relatives of Key Management Persons :	C. Related Parties
Mr. Ajay Prakash Kanoria	Mrs. Snehalata Kanoria	Nagpur Tools Pvt. Ltd.
Mrs. Alka Kanoria		Adishree Engineering Pvt. Ltd.
Mr. Vishnu Sontakke		
Ms. Shruti Sohane		

#### Summary of Transactions with Above Parties :

Particulars	Year Ended March 31 <sup>st</sup> , 2020	Year Ended March 31 <sup>st</sup> , 2019
a. Transactions for the period		
<b>Nagpur Tools Pvt. Ltd.:-</b>		
Job Work Expenses (Gross Including Taxes)	57,319,584.00	81,471,454.00
Purchase of Blanks (Gross Including Taxes)	1,034,520.00	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)	2,547,494.00	4,899,523.00

Closing Balance	Year Ended March 31 <sup>st</sup> , 2020	Year Ended March 31 <sup>st</sup> , 2019
Due from		
Nagpur Tools Pvt. Ltd.	3,106,180.00	-
Due to:-		
Ajayprakash Kanoria	5,753,659.82	3,411,631.82
Alka Ajayprakash Kanoria	5,950,191.40	2,729,127.38
Snehalata Kanoria (Loan)	-	113,500.00
Nagpur Tools Pvt. Ltd.	-	9,639,853.00
Adishree Engineering Pvt. Ltd.	2,938,504.22	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 31 <sup>st</sup> , 2020	Year Ended March 31 <sup>st</sup> , 2019
1) Ajayprakash Kanoria		
Salary	3,600,000.00	3,600,000.00
Remuneration	5,612,720.00	2,762,600.00
2) Alka Kanoria		
Salary	1,200,000.00	1,200,000.00
Remuneration	3,741,810.00	2,545,000.00
3) Vishnu Sontakke		
Salary	574,837.00	618,545.00
4) Shruti Sohane		
Salary	368,400.00	411,600.00
<b>TOTAL</b>	<b>15,097,767.00</b>	<b>11,137,745.00</b>

**Note 43**
**CONTINGENCIES**

Particulars	Year Ended March 31 <sup>st</sup> , 2020	Year Ended March 31 <sup>st</sup> , 2019
(i) Taxes, Duties and Other Demands (under adjudication/appeal/dispute)		
Sales Tax (CST) (2014-15)	-	734,291
Sales Tax (VAT) (2014-15)	-	145,190
(ii) Claims under legal cases including arbitration matters	-	-
<b>Total</b>	<b>-</b>	<b>879,481</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:


Particular	F.Y. 2019-20 (Amount)	F.Y. 2018-19 (Amount)
A) Gross amount required to be spent by the Company during the year	Rs. 40.51 Lacs	Rs. 33.19 Lacs
B) Amount spent by the Company during the Year	Rs. 40.17 Lacs	Rs. 40.99 Lacs

**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 & CEO  
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 : July 16, 2020



## Notes

[illegible]

25<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

DP ID \_\_\_\_\_

Client ID \_\_\_\_\_

Registered Folio No.: \_\_\_\_\_

No. of Shares: \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I certify that I am a shareholder / proxy of the shareholder of the Company. I/We hereby record my/our presence at the 25<sup>th</sup> Annual General Meeting of the Company being held on Thursday September 24, 2020 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

## 25<sup>th</sup> Annual General Meeting

### FORM NO. MGT-11

#### PROXY FORM

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

CIN : L29220MH1995PLC091091  
 Name of the company : **EMKAY TAPS AND CUTTING TOOLS LIMITED**  
 Registered office : B-27 7 B-27/1 M.I.D.C. Hingna,  
 Industrial Estate, Nagpur-440016.  
 Tel. No. 07104-237584  
 www.emkaytapsandtools.com

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

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

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

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

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

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

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

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **25<sup>th</sup> Annual General Meeting of the Company being held on Thursday September 24, 2020 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:

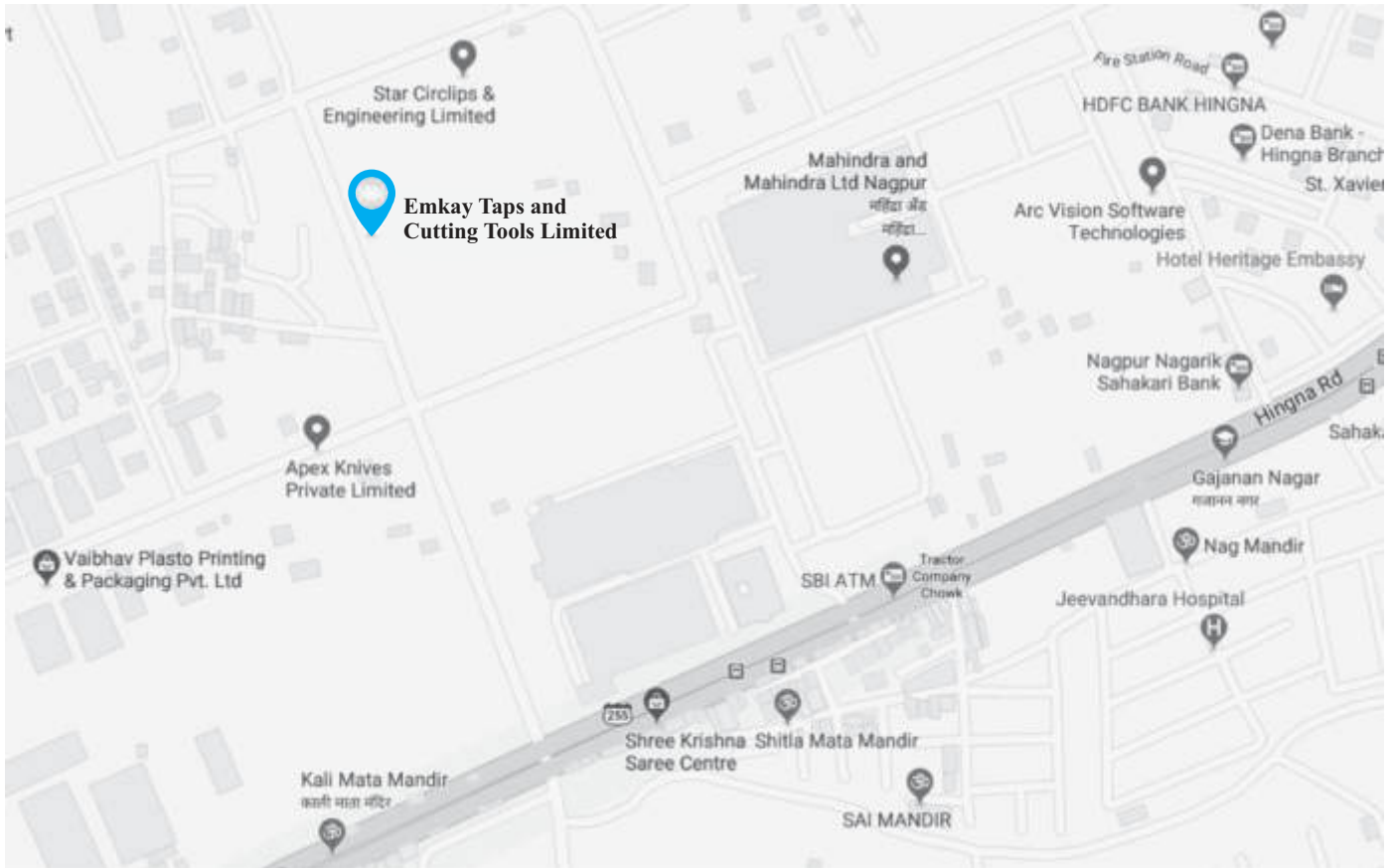
#### ORDINARY BUSINESS

1. To consider and adopt the Audited financial statements of the Company for the year ended March 31, 2020 together with the Reports of the Board of Directors and Auditors' thereon.
2. To consider re-appointment of Mrs. Alka Ajayprakash Kanoria (DIN: 00041346), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers herself for re-appointment.

Affix  
Revenue  
Stamp

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

## MAP FOR AGM VENUE



### EMKAY TAPS 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.



**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)