



EMKAY TAPS AND CUTTING TOOLS LIMITED



CONTENTS

Corporate Information	
Notice of 21st AGM to Members	01
Annexure to Notice	02
Annual Report's	
Director's Report	04
Corporate Governance Report	10
Management Discussion Analysis	24
Annexure to Director's Report	27
Auditors Report & Standalone Financial Statements	46
Attendance Slip and Proxy form	76

PROPOSED CSR INITIATIVE BY THE COMPANY AT JALKA VILLAGE IN RALEGAON TALUKA OF YAVATMAL DISTRICT



Important Communication to Members

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



EMKAY TOOLS

Emkay Taps And Cutting Tools Limited

**Annual Report
2015-16**

Board of Directors

Chairman and Managing Director

Mr. Ajayprakash Kanoria

Whole Time Director

Mrs. Alka Kanoria

Chief Financial Officer

Mr. Vishnu K. Sontakke

Statutory Auditor

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

Registrar & Transfer Agent

Bigshare Services Private Limited
E/23 Ansa Industrial Estate, Sakhivihar Road,
Sakinaka, Andheri (East),
Mumbai - 400 072, Maharashtra
Tel. No.: 022-28470652/ 40430262/40430289
Website: www.bigshareonline.com

Bankers

Bank of Maharashtra
ICICI Bank Ltd.

Independent Non-Executive Director

Mr. Mahesh Mor
Mr. Rahul Bagdia
Mr. Ravindra Loiya

Company Secretary & Compliance Officer

Ms. Shruti Sohane

Secretarial Auditor

M/s N.R. & Associates
Company Secretaries
G. Floor, Business Plaza, 6, Farmland,
Central Bazaar Road, Lokmat Square,
Nagpur-440010
Tel. No.: +91-712-2437195, 2438181
Fax: 0712 - 2435068
Email: mcagsb83@gmail.com

Contact Details for Investors/ Factory / Registered Office

B-27/B-27/1, M.I.D.C Hingna,
Industrial Estate, Nagpur-440016
Tel.: 07104-237584, Fax No. : +91 - 07104-232862
Email: investors@emkaytapsandtools.com
Website: www.emkaytapsandtools.com

Listed on

National Stock Exchange "SME EMERGE"

Committees*

- ❖ Audit Committee
- ❖ Nomination & Remuneration Committee
- ❖ Stakeholders Grievance Committee
- ❖ Corporate Social Responsibility Committee
- ❖ Management Committee

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



NOTICE OF 21st AGM TO MEMBER'S

NOTICE is hereby given that **Annual General Meeting** of the Members of Emkay Taps And Cutting Tools Limited will be held on Saturday September 10, 2016 at 12:30 p.m. 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, 2016 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;
3. To ratify the appointment of the auditors of the Company, and to fix their remuneration and pass the following resolution as an ordinary resolution:
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, and rules made there under, as amended from time to time, and in consideration of the recommendation of the audit committee of the Board of Directors, the appointment of M/s. Vijay Agarwal & Co., Chartered Accountants, (FRN No. 138350W), who were appointed as Statutory Auditors of the company at the 19th Annual General Meeting held on 30th September, 2014, to hold office from conclusion of 19th AGM until conclusion of 24th AGM be and is hereby ratified and

confirmed from the conclusion of 21st AGM till the conclusion of 23rd AGM and that the Board of Directors be and is hereby authorised to fix their remuneration for the Financial Year 2016-17, as may be determined by the audit committee in consultation with Auditors."

SPECIAL BUSINESS:

4. Appointment of Mr. P. Ramachandran as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. P. Ramachandran (holding DIN: 07575222), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from September 10, 2016 and whose office shall not be liable to determination by retirement of directors by rotation.

By the Order of Board

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Date: August 8, 2016

Place: Nagpur

✍️ Shruti Sohane

Company Secretary & Compliance Officer

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

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. For attendance & proxy form please refer page no. 76 & 77 of this Annual Report.



4. 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.
5. Members/Proxy holders are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled in for attending the Annual General Meeting.
6. In accordance with the provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain close from September 7, 2016 to September 10, 2016 (both days inclusive).
7. The Shareholders are requested to notify changes of their address immediately to the Registrars & Transfer Agent Bigshare Services Pvt. Ltd. The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.
8. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.
9. Brief resume of Directors seeking appointment/reappointment including nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership /chairmanship of Board Committees, as stipulated under clause 52 of the Listing Agreement with the Stock Exchanges, is given in "Annexure I"
10. Explanatory Statement containing brief profile of Mr. P. Ramachandran, the candidature to be appointed as director is given in "Annexure II".
11. Map for AGM venue is given at the end of this Annual Report.

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

Name	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)	1,87,365
Relationship with other directors	Wife of Mr. Ajayprakash Kanoria, Chairman & Managing Director of the Company.

*Appointed as Whole-time Director of the Company as on December 12, 2000 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.

ANNEXURE II

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ANNEXED TO
AND FORMING PART OF THE NOTICE:**

ITEM NO. 4

Mr. P.C. Ramachandran has done Diploma in Mechanical Engineering in 1962 from Government Polytechnic College, Kannur, Kerala state.

He has very wide experience in Machine Tool Industry. He has worked in HMT for about 16 years and thereafter was a freelance Machine Tool Service Consultant for more than 9 years.

Presently he is engaged in marketing of various machine tools and representing companies like BFW-Bangalore, Gee Dee Weiler - Coimbatore, PSG Coimbatore, etc.

He has got vast experience in selection of machines and maintenance of various taps on machine tools.

The Company has received a notice under Section 160 of Companies Act, 2013 along with requisite deposit from Mr. Ajayprakash Kanoria signifying his intention to propose candidature of Mr. P. Ramachandran for being appointed as an Independent Director of the Company.

Mr. P. Ramachandran is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Independent Director.

In the opinion of the Board, he fulfills the conditions specified in Section 149(6) of Companies Act, 2013 and rules made thereunder for his appointment as Independent Director of the Company and is Independent of the Management of the Company. Copy of draft letter for appointment of Mr. P. Ramachandran setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

The Board recommends the Resolution at Item No. 4 of the accompanying Notice for the approval of the Members of the Company.

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

By the Order of Board

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Date: August 8, 2016

Place: Nagpur

Shruti Sohane

Company Secretary & Compliance Officer

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the 21st Annual Report on the business and operations of the Company together with the Standalone Audited Financial Statements for the year ended on March 31, 2016.

➤ **Financial highlights:**

Particulars	Amount (₹ in crores)*	
	F.Y. 2016	F.Y. 2015
Total Revenues (including Other Income)	46.66	40.23
Profit before depreciation, interest and tax	21.45	19.14
Less: Interest	0.12	0.09
Less: Depreciation and amortization expense	2.22	2.64
Profit before tax	19.11	16.41
Net tax expense#	5.06	6.06
Profit for the year	14.05	10.84
Add: Surplus carry forward from the last year Balance sheet	51.01	41.24
Less: Bonus Shares issued During the year	0.00	1.06
Balance carried over to Balance Sheet	65.06	51.01
Earnings per equity share(₹)	78.98	58.75

➤ **Results of operations:**

The financial statement reflects satisfactory growth in the Sales and Profit for the Year 2015-16. The turnover for the F.Y. 2015-16 is ₹ 46.66 crores as compared to ₹ 40.23 crores last F.Y. 2014-15 whereas profit for the year has been increased from ₹ 10.84 crores for F.Y. 2014-15 to ₹ 14.05 crores for the F.Y. 2015-16.

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

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

The turnover for taps and Cutting Tools segment has increased by approximately 15% from the last financial year.

- ❖ **Wind Power:** The Government of India has announced a laudable Renewable Energy target of 175GW by 2022 out of which 60GW will be coming from wind power. Overall the future of Wind Energy in India is bright as energy security and self-sufficiency is identified as the major driver.

Source: <http://www.indianwindpower.com/>

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. 15-16 is ₹ 1.35 crores and its

* All figures are rounded off to their nearest value.

deferred Tax expenses for 2015-16 is ₹ 2,736,068/- and for 2014-15 is ₹ 4,872,645/-



turnover has marked decrease of 3% in this year as compared to the previous F.Y. 2014-15.

➤ **Dividend:**

Your Directors decide to plough back the profit for timely execution of the expansion plan of the Company, as mentioned below in Material Changes and Commitments, and do not recommend any dividend for the year ended March 31, 2016. Every Decision of the Board of Directors is always directed towards creating value for their shareholders in the long term.

➤ **Material changes and commitments:**

❖ **Capacity Expansion**

During the year, your Board of Directors has planned for expansion with a capital outlay of approximately ₹ 11 crores. This will result in, likely increase of 17 lakhs units from 12 lakhs units in the plant capacity and technology upgradation as well.

Further, to implement the aforementioned expansion plan of the Company with ease, the Company has availed Term Loan amounting to ₹ 65 Million from ICICI Bank, Ramdaspath Branch, Nagpur.

It is proposed to complete the execution of the above expansion plan in year to come.

❖ **Uniform Listing Agreement**

The Securities and Exchange Board of India (SEBI) on September 2, 2015 has notified new Listing Regulations, 2015 called as SEBI (LODR) Regulations, 2015 w.e.f. December 1, 2015 applicable all the Listed Entities, with a view to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability; alignment of Securities Law and Listing Agreement with the Companies Act, 2013 and amendments thereto. Accordingly all the Compliances here onwards (December 2, 2015) are/ shall be made by the Company in compliance of SEBI (LODR) Regulation, 2015.

Pursuant to these regulations, Listed Entities were required to execute new Listing Agreement called as Uniform Listing Agreement with the Stock Exchange on which the Securities of the Company are listed within six months from the date of its notification. The Company executed the same on January 29, 2015 with National Stock Exchange of India Limited.

➤ **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**

Pursuant to Section 186 of the Companies Act, 2013, the company has not given/taken Loans, Guarantees or Securities from/ to any person or other Body Corporates. Details regarding Investments made are provided in the notes to the financial statement. Please refer to Note 13, 14 & 19 to the financial statement.

➤ **Corporate Governance**

The Company believes in sound corporate governance to win the investors trust. Our aim is to always ensure that our performance is driven by integrity. Your Board of Directors exercises their fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Our Corporate governance report for the F. Y. 2015-16 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.

Your Directors draw your attention to “Annexure A-Form AOC-2” on Related Party disclosures for the year under review.



➤ **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 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. 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 21st Annual General Meeting.

III. Key Managerial Personnel:

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

- ✎ Mr. Ajayprakash Kanoria, Chairman and Managing Director
- ✎ Mrs. Alka Kanoria, Whole Time Director
- ✎ Mr. Vishnu Sontakke, Chief Financial Officer
(w.e.f April 15, 2015)
- ✎ Ms. Shruti Sohane, Company Secretary
(w.e.f April 10, 2015)

IV. Board Evaluation:

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

The Policy for Evaluation of Performance of the Board of Directors was formulated by Nomination and Remuneration Committee of the Board of Directors and same has been approved and adopted by the Board of Directors in their Meeting held on February 27, 2016.

The criteria for evaluation have been provided in the Corporate Governance Report, which forms integral part of this Report.

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

V. 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].

VI. Familiarization Program for Independent Directors:

The new independent directors were introduced into the Board during the year under review in the month of April. Earlier as per the provisions of Listing Agreement entered with NSE pursuant to listing on August 13, 2015, familiarization program for Independent Directors was not required to be conducted. Hence the company has not conducted any specific Program called "Familiarization Program for Independent Directors" during the F.Y. 2015-16; however in the Board meeting after their appointment formal introduction and factory visit has been made.

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.

In future whenever Independent Director will be appointed on Board of the Company the applicable provisions shall be complied.

VII. Policies:

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

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

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



NAME OF THE POLICY	BRIEF DESCRIPTION	WEB LINK
<i>Insider Trading Policy</i>	The Company has adopted the Code of Conduct to regulate, monitor and report trading by insiders & Code of fair disclosure of unpublished price sensitive information for the Directors, KMP and other designated officers and connected persons of the Company.	http://emkaytapsandtools.com/insider-trading-policy/
<i>Code of Conduct</i>	The Company has formulated and adopted Code of Conduct for the Senior Management and officers of the Company.	http://emkaytapsandtools.com/code-of-conduct/
<i>Policy on Vigil Mechanism (Whistleblower Policy)</i>	The Company has adopted the Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	http://emkaytapsandtools.com/vigil-mechanism-policy/
<i>CSR Policy</i>	The company believes in the Philosophy of moving together and growing together. The Directors have adopted policy on CSR to spend as required under the Companies Act, 2013 for activities those are benefiting to the Society as a Whole.	http://emkaytapsandtools.com/csr-policy/
<i>Nomination & Remuneration Policy</i>	As required under the provisions of the Companies Act, 2013 Board of Directors has adopted policy for appointment of the Director and for determination of remuneration payable to them.	http://emkaytapsandtools.com/nomination-remuneration-policy/
<i>Policy for Determination of Materiality of Event or Information</i>	This policy has been formulated by the Board of Directors deals with the determination of materiality of the Event/ Information and its dissemination to the Stakeholders at large.	http://emkaytapsandtools.com/corporate-governance/policy-for-determination-of-materiality-of-event-or-information/
<i>Archival Policy</i>	This policy is for retention and preservation of documents and records of the Company.	http://emkaytapsandtools.com/corporate-governance/archival-policy-for-retention-of-documents_etct/

➤ 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, 2016, applicable accounting standards read with requirements set out under schedule III of the Act, have been followed along with proper explanation relating to material departures, if any,
- ii. such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit of the company for the year ended on that date,
- iii. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities,
- iv. the annual financial statements are prepared on a going concern basis,
- v. proper internal financial controls are in place and that the financial controls are adequate and are operating effectively and
- vi. the systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

➤ **Board Meetings**

During the year under review 14 (fourteen) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

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

➤ **Statutory Audit**

In accordance with provisions of Section 139(1) of the Companies Act, 2013 M/s. Vijay Agarwal & Co., Chartered Accountants, (FRN No. 138350W), has been appointed as statutory auditors of the company for 5 consecutive financial years i.e. from conclusion of 19th AGM up to the conclusion of 24th AGM.

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

M/s. Vijay Agarwal & Co. has given their consent and confirmed their eligibility under section 141 of the Companies Act, 2013 and the rules made thereunder for continuing as statutory auditors of the company. The Board recommends the aforesaid resolution for approval of the members.

M/s. Vijay Agarwal & Co., Chartered Accountants being the Statutory Auditor of the Company, has audited books for the F.Y. March 31, 2016 and accordingly has submitted Independent Auditor's Report on the same for F.Y. 2015-16. The Board has duly reviewed the Statutory Auditor's Report on the Accounts. The Observations and comments, appearing in the Auditor's Report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors as provided under section 134 of the Act.

➤ **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 N. R. & Associates, Company Secretaries, Nagpur has been made by the Board in their meeting held on May 30, 2016 to carry out secretarial audit for the financial year 2016-17.

The Secretarial Audit Report given by M/s N. R. & Associates, Company Secretaries, Nagpur for the F.Y. 2015-16 is annexed

herewith as "**Annexure B**". The Board has duly reviewed the Secretarial Auditor's Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors as provided under Section 134 of the Companies Act, 2013.

➤ **Business Risk Management**

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

Discussion on risks and concerns are covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.

➤ **Internal Control Systems**

The company has in place an adequate internal control system, which is commensurate with the size, scale and complexity of the Company and nature of its business operations. The Company has made appointment of Mr. Sumit Gaidhane, as Internal Auditor of the Company w.e.f. February 10, 2016 and he reports to the Chairman of the Audit Committee. The scope and functions of Internal Auditor is defined and reviewed by the Audit Committee.

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

➤ **Extract of Annual Return**

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

➤ **Committees**

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

➤ **Corporate Social Responsibility**

Your Board of Directors has constituted a CSR Committee on July 13, 2015 under section 135 of the Act. The Annual Report on CSR by the Company is given in "**Annexure-D**" of this Board Report.



➤ **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 required to be given for the reporting period, as the Provision of Section 197(12) are applicable to the Company in financial year 2015-16.

In compliance of the same, “Annexure E” is given 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” and forms part of this Report.

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

In terms of provisions of the Sexual Harassment of Women at

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

➤ **Significant and Material Orders**

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

➤ **Acknowledgement:**

We take this opportunity to thank our Customers, Vendors, Investors, Bankers and Government Agencies & Regulators, Suppliers & Costumers, Shareholders, National Stock Exchange, Merchant Bankers and all the Business Associates for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support and look forward to their continued support in the future.

For and on behalf of the Board of Directors

EMKAYTAPSANDCUTTING TOOLS LIMITED

Place: Nagpur

Date: May 30, 2016

✍ Ajayprakash Kanoria

Chairman & Managing Director

✍ Alka Kanoria

Whole-time Director



CORPORATE GOVERNANCE REPORT 2015-16

PHILOSOPHY

The Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholders' value while safeguarding the interest of all the stakeholders it is this conviction that has led the Company to make strong corporate governance values intrinsic to all its operations. The Company is led by a distinguished Board, which includes independent directors. The Board provides strong oversight and strategic counsel. The Company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide management the strategic direction it needs.

As per regulation 15(2) and 15(2) (b) of SEBI (LODR) regulation, 2015 Para C, D, E of Schedule V of the regulation shall not apply to SME listed companies. The Company has voluntarily opted to give the CGR-2015-16 as a good corporate governance practice. In terms of regulation 34(3) of SEBI (LODR) regulation, 2015 the details of compliances, are as follows:-

BOARD OF DIRECTORS

● Composition of the Board

As on date of signing this report, the Company's Board comprised of 5(Five) Directors viz., a Managing Director, a Whole time Director and three (3) Non-Executive Independent Directors. The Managing Director is the Chairman of the Company.

The composition of the Board is as per the provisions of section

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

● Number of Board Meetings

During the financial year from 1st April, 2015 to 31st March 2016, the Board of Directors met fourteen times on 7th April, 2015; 23rd April, 2015; 30th April, 2015; 5th May, 2015; 29th May, 2015; 27th June, 2015; 13th July, 2015; 15th July, 2015; 21st July, 2015; 7th August, 2015; 5th September, 2015; 7th November, 2015; 27th February, 2016 and 26th March, 2016. The maximum time gap between any two consecutive board meetings was less than 120 days.

● Code of conduct for Board Members and Senior Management Personnel

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

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

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

Sr. No.	Name of the Director	Category/Status of Directorship	No. of Board Meetings attended during the F.Y. 2015-16	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, 2016
					Chairman	Member	
1.	Ajayprakash Kanoria	Chairman & Managing Director	14	-	-	-	96,375
2.	Alka Kanoria	Whole Time Director	11	-	-	-	1,87,365
3.	Rahul Bagdia [^]	Non- Executive Independent Director	5	-	-	-	-

[^]Appointed as Non-Executive Independent Directors in the EGM held on 8th April, 2015



Sr. No.	Name of the Director	Category/Status of Directorship	No. of Board Meetings attended during the F.Y. 2015-16	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, 2016
					Chairman	Member	
4.	Mahesh Mor [^]	Non-Executive Independent Director	9	-	-	-	-
5.	Ravindra Loiya [#]	Non- Executive Independent Director	6	-	-	-	-

BOARD LEVEL COMMITTEES

The Company has the following Board Level Committees:

- Audit Committee w.e.f. 05th May, 2015.
- Nomination and Remuneration Committee w.e.f. 5th May, 2015
- Stakeholder's Relationship Committee w.e.f. 5th May, 2015
- Corporate Social Responsibility Committee w.e.f. 13th July, 2015
- Management Committee w.e.f. 13th July, 2015

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 Board in its meeting held on 05th May, 2015 has constituted the Audit Committee. The Audit Committee of the Board of Directors met three* times during the F.Y. under review viz, 5th September, 2015; 7th November, 2015 and 27th February, 2016. 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. 2015-16
1.	Mr. Mahesh Mor	Non-Executive-Independent Director	Chairman	3
2.	Mr. Rahul Bagdia	Non-Executive-Independent Director	Member	3
3.	Mr. Ajayprakash Kanoria	Managing Director	Member	3

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

The Company Secretary acts as the Secretary to the Committee. Mr. Mahesh Mor, Chairman of the Audit Committee, possesses

accounting and financial management expertise and all the members of the Committee also have accounting and financial knowledge.

- Nomination and Remuneration/Compensation Committee**

The Board in its meeting held on 05th May, 2015 was constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee of the Company met two times during the F.Y. 2015-16 on May 29, 2015 and February 27, 2016.

[^]Appointed as Non-Executive Independent Directors in the EGM held on 8th April, 2015

[#]Mr. Ravindra Loiya was appointed as Non-Executive Independent Director in the EGM held on 24th April, 2015

^{*}As per Regulation 15(2) (b) of SEBI (LODR), 2015 Regulation 18(2) (a) wr.t. meeting of Audit Committee shall not apply to SME listed companies.

**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. 2015-16
1.	Mr. Mahesh Mor	Non-Executive-Independent Director	Chairman	2
2.	Mr. Rahul Bagdia	Non-Executive-Independent Director	Member	2
3.	Mr. Ravindra Loiya	Non-Executive-Independent Director	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 Wholtime Directors.
- ✓ Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- ✓ To formulate and administer the Employee Stock Option Scheme.

✦ **Nomination and Remuneration Policy**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules

thereto, as amended from time to time and clause 52 of the listing agreement.

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

➤ **Definitions**

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

“**Key Managerial Personnel**” means:

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

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

➤ **Objective**

The objective of the policy is to ensure that:

- ✓ the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors to run the company successfully;
- ✓ relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- ✓ Remuneration to directors, key managerial personnel and senior management involves a balance between



fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

➤ **Role of the Committee**

The role of the NRC will be the following:

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

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

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

term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

➤ **Term/Tenure**

a) **Managing Director/Whole-time Director:**

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

b) **Independent Director:**

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

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

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

➤ **Evaluation**

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

➤ **Removal**

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

➤ **Retirement**

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



➤ **Policy for Remuneration to Directors/KMP/ Senior Management Personnel**

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

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

2. Remuneration to Non- Executive / Independent Directors:

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

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

conditions are satisfied:

1. The Services are rendered by such Director in his capacity as the professional; and
 2. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- c. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).
- 3. Remuneration to Key Managerial Personnel and Senior Management:**
- a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
 - c. The Fixed pay may include monthly remuneration, employer's contribution to Provident Fund contribution to pension fund, pension schemes, etc. as decided from to time.
 - d. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

➤ **Implementation**

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

**∞ Stakeholders' Relationship Committee**

The Board in its meeting held on 05th May, 2015 has constituted the Stakeholders Relationship Committee. The Committee met once on February 27, 2016 at the registered office of the company. The Stakeholders' Relationship Committee comprised as under:-

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

Ms. Shruti Sohane Company Secretary is the Compliance Officer of the Company and also acts as secretary to the Committee.

∞ Corporate Social Responsibility Committee

The Board of Directors of the company has constituted a CSR Committee on 27th June, 2015 under the chairmanship of Mr. Ajayprakash Kanoria. Other members of the committee are Mrs. Alka Kanoria and Mr. Mahesh Mor. CSR Committee has recommended to the Board, a CSR Policy, indicating the activities to be undertaken by the Company.

In their meeting on July 21, 2015, the Board of Directors has approved and adopted the CSR policy formulated and recommended by the CSR Committee and same can be referred

as part of the Board Report in "Annexure B" above and it is also available on our website www.emkaytapsandtools.com

∞ Management Committee:

The Board in its meeting held on 13th July, 2015 has constituted a Management Committee to look after the day to day management of the company under the Chairmanship of Mr. Ajayprakash Kanoria and other member is Mrs. Alka Kanoria. The Committee met three (3) times in the F.Y. 2015-16 on September 21, 2015; January 28, 2016 and March 4, 2016.

∞ Remuneration of Managing and Whole Time Director

The details of remuneration paid from 1st April, 2015 to 31st March, 2016 are given below:

Name & Designation	Ajayprakash Kanoria CHAIRMAN & MANAGING DIRECTOR	Alka Kanoria WHOLE-TIME DIRECTOR
PARTICULARS	AMOUNT (IN ₹)	
Basic Salary	3,600,000	1,200,000
Perquisites & Allowances	-	-
% of Net Profit	5,730,694	3,820,462
Contribution to PF and superannuation fund	28,800	21,600
Total	9,330,694	5,020,462

∞ Sitting fees to Non-Executive Directors

The Board of Directors at its meeting held on 23rd April, 2015 has fixed the sitting fee payable to non-executive independent directors for attending meetings of the Board and its Committees. The sitting fee structure as payable to the Non-Executive Independent Directors on the Board of the Company is as follows:



Sr. No.	Name	Designation	Name of the Meeting		Amount payable per meeting (₹)	
			Meeting of Board of Directors	Meeting of all Committees	Board Meeting	Committee Meetings
1.	Mr. Mahesh Mor	Non-Executive-Independent Director	9	8 [^]	7,500	2,500
2.	Mr. Rahul Bagdia	Non-Executive-Independent Director	5	7 [^]	7,500	2,500
3.	Mr. Ravindra Loiya	Non-Executive-Independent Director	6	4 [^]	7,500	2,500

∞ Subsidiary

The Company does not have any 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

This Annual Report has a detailed chapter on Management Discussion and Analysis.

∞ Share Reconciliation Audit

As stipulated by SEBI, Mr. Roshan Harde, Qualified Practicing Company Secretary from M/s N.R. & Associates, Company Secretaries, 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, 2016. To facilitate the shareholders, Stakeholders Relationship Committee, headed by Mr. Mahesh Mor has been formed. Further, stakeholders may contact Ms. Shruti Sohane, the Company Secretary and compliance officer for redressal of Investors Grievances at investor@emkaytapsandtools.com

∞ Mandatory Requirements of SEBI (LODR) Regulation, 2015

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

∞ General Body Meetings

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time
18TH	March 31, 2013	Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate, Nagpur-440016	September 30, 2013	2.00 PM
19TH	March 31, 2014	Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate, Nagpur-440016	September 30, 2014	4.00 PM
20TH	March 31, 2015	Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate, Nagpur-440016	September 29, 2015	12.30 PM

[^]The number of meetings includes one meeting of all Independent directors only, held on February 27, 2016.



∞ **Special Resolutions**

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

∞ **Postal Ballot**

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

∞ **Performance Evaluation**

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

❖ **Criteria For Evaluation:**

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

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

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

∞ **Disclosures**

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

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

∞ **Means of Communication**

- 1) The Company's corporate website, <http://emkaytapsandtools.com> provides comprehensive information to the Shareholders.
- 2) The Company got listed on 13th August, 2015. Hence the Half yearly and Annual Financial results yet to be submitted to the Stock Exchange in accordance with the Listing Agreement and same also made available on the Company's website, <http://emkaytapsandtools.com/>.

∞ **General Information to Shareholders**

Sr. No.	Salient Items of Interest	Particulars
1.	AGM Day and Date Time Venue	On Saturday September 10, 2016 12.30 PM Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016
2.	Financial Year	April 1st, 2015 to March 31st, 2016
3.	Date of Book Closure	September 7, 2016 to September 10, 2016
4.	Dividend Payment Date	No Dividend has been declared
5.	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. 2015-16 has been paid.
6.	Custodian Fees to Depositories	The Company has paid fees for the F.Y. 2015-16 to National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) on time.
7.	Symbol	EMKAYTOOLS
8.	Register and Transfer Agents	Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (E), Mumbai-400 072. Tel: 91-22-28470652 40430200 28470653 Fax: 91-22-2847 5207 Website: www.bigshareonline.com email: ipo@bigshareonline.com
9.	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.
10.	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.
11.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	Not Applicable
12.	Plant Locations	Plot No. B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016
13.	Address for correspondence	Compliance Officer: Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016 Ph. No. 91-7104-237584/237363, Fax No. 91-7104-232862 Email: ID: investor@emkaytapsandtools.com

**∞ Market Price Data**

Market data as available on NSE (India) Limited website <https://www.nseindia.com/emerge> during each month of the financial year 2015-16* is given below:

MONTH	HIGH (IN ₹)	LOW (IN ₹)	NO. OF SHARES TRADED
2015			
August	374.00	322.50	2,31,200
September	330.90	321.00	6,400
October	329.00	325.00	25,600
November	333.00	325.00	18,800
December	372.00	324.00	27,200
2016			
January	355.00	330.00	1,600
February	335.00	310.00	2,000
March	375.00	328.00	6,800

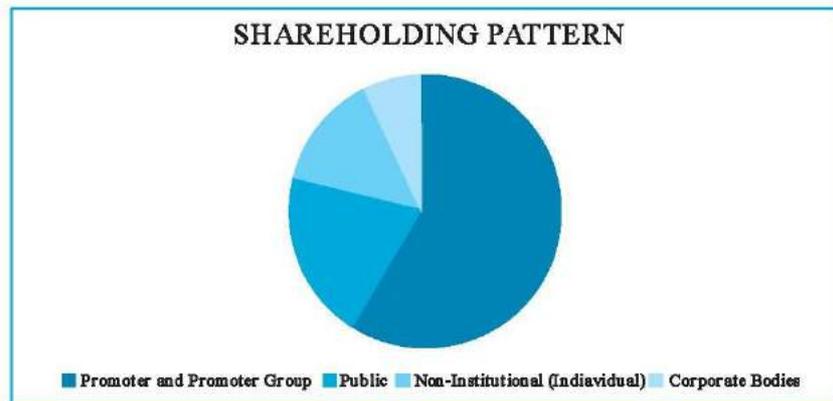
**∞ Distribution of Shareholding**

SHAREHOLDING OF NOMINAL		NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL %	SHARE AMOUNT (₹)	PERCENTAGE OF TOTAL %
(₹)	(₹)				
1	5000	71	58.6777	280500	1.5771
5001	10000	6	4.9587	48000	0.2699
10001	20000	6	4.9587	96000	0.5398
20001	30000	8	6.6116	212000	1.1920
30001	40000	4	3.3058	132000	0.7422
40001	50000	4	3.3058	180000	1.0121
50001	100000	4	3.3058	256000	1.4394
100001	999999999	18	14.8760	16581000	93.2276

* The Company got listed on NSE (India) Limited on August 13, 2015 and hence data from April 1, 2015 to August 12, 2015 is not available.

∞ **Shareholding Pattern as on 31st March, 2016**

CATEGORIES	NO. OF SHARES HELD	PERCENTAGE OF TOTAL (%)
Promoter and Promoter Group	13,06,600	73.46
Person related to Director	0	0.00
Public	4,71,950	26.53
Non-Institutional (Individual)	3,18,750	17.92
Corporate Bodies	1,53,200	8.61
Non-resident Indians	0	0.00
TOTAL	1,77,8550	100

∞ **Top 10 Shareholders as on March 31, 2016**

Sr. No.	NAME OF SHAREHOLDER	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD	% OF HOLDING
1.	Ajayprakash Kanoria (HUF)	Promoter	765960	43.0665
2.	Nagpur Tools Private Limited	Corporate Promoter Group	256400	14.4162
3.	Alka Ajayprakash Kanoria	Promoter	187365	10.5347
4.	Ajayprakash Kanoria	Promoter	96375	5.4187
5.	Sudarshan Trading And Manufacturing Pvt. Ltd.	Corporate Bodies	80400	4.5205
6.	Brajkishore Agrawal	Public	51200	2.8787
7.	Vibrant Global Capital Ltd	Corporate Bodies	45600	2.5639
8.	Naginadevi Agrawal	Public	41200	2.3165
9.	Nikhil S. Agrawal	Public	22000	1.2370
10.	Rohit Agrawal	Public	16000	0.8996

**∞ Shares held in dematerialized form as on March 31, 2016**

PARTICULARS	NUMBER OF SHARES	% OF CAPITAL TOTAL ISSUED
Issued Capital / Listed Capital (as per Company records)	17,78,550	100.00
Held in Dematerialised form in NSDL	15,12,950	85.07
Held in Dematerialised form in CDSL	2,65,600	14.93
Physical	00	0.00
Total No. of shares (12+13+14)	17,78,550	100.00

Date: May 30, 2016
Place: Nagpur

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

∞ Shruti Sohane
Company Secretary & Compliance Officer

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

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

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

Date: May 30, 2016

Place: Nagpur

**For N. R. & Associates
Company Secretaries**

✉ Roshan Harde
Partner
Membership No: A34630
COP No: 13138

CERTIFICATION FROM THE MANAGING DIRECTOR AND THE CFO

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

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Code of Conduct of the Company.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We do Further certify that there has been:
 - i. No Significant changes in internal control over financial reporting during the year;
 - ii. No Significant changes in accounting policies during the year;
 - iii. No Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Nagpur

Date: May 30, 2016

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

✍ Ajayprakash Kanoria
Chairman & Managing Director

✍ Vishnu Sontakke
Chief Financial Officer

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

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

Place: Nagpur

Date: May 30, 2016

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

✍ Ajayprakash Kanoria
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2015 - 16

During the year 2015-16, overall cutting tool industry growth was not satisfactory. In spite of this fact, our company was able to achieve top line growth of 15.07 % in the gross domestic sales as compared to last year. However, export sales were not satisfactory because of adverse conditions in Europe, etc.

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

Going forward, we expect that in the year 2016-17, growth will pick up as the Indian economy picks up and auto sector picks up further. Outlook for auto sector on which our cutting tool industry is depending on, is given separately. Sales growth in the cutting tool industry largely depends on the sales growth of auto sector. Apart from the auto sector, the auto ancillary sector is also growing at a very rapid pace because of good export orders.

+ Outlook

i) OUTLOOK FOR INDUSTRY

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

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

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

ii) OUTLOOK FOR THE COMPANY

In your Company's future strategic growth plans, the core areas include further expansion of the capacities of machines. Its strategic plans are also directed towards meaningful utilization & redeployment of

resources depending on the situations and full capacity utilization of existing operations with proactive financial management and with qualitative focus on human resource development.

+ Auto-Ancillary industry: An Analysis

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system.

The auto-components industry accounts for almost seven per cent of India's Gross Domestic Product (GDP) and employs as many as 19 million people, both directly and indirectly. 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.

+ User Industry Analysis – Automobile Industry

Automotive industry is the key driver of any growing economy. Due to its deep forward and backward connections with almost every segment of the economy, the industry has a strong and positive multiplier effect and thus propels progress of a nation. Automobile industry performance in India during 2009 and 2010 was supported by natural demand driven by the country's economic performance, growing middle class and low levels of vehicle ownership. In the last few years, the passenger vehicle industry was largely driven by strong economic growth.

However during last two fiscal years, a host of domestic factors such as increasing fuel prices, the weakening rupee and prolonged high interest rates led to rising vehicle financing costs, leading to a slowdown in the demand for cars.

As regards the outlook for 2014-15, Automobile sector is bullish that the GDP will improve further as had seen in the past six months. However, inflation and interest rates are expected to continue on a high trajectory. Extension of the JNNURM scheme for bus purchases will help the bus segment. According to global marketing information services company, JD Power, car sales in India would bounce-back by 9% in the current year.

**+ Expectations from Machine Tool Industry**

- ∞ There is a big gap in Automation. Develop low cost automation solutions.
- ∞ There is a need for high end products in metal forming machines but bulk of manufacturers are yet to produce first level CNC machines.
- ∞ Indian players need to develop higher capacity machines with customization.

+ Correlation between Machine Tool Industry and Auto Component industry

There exist a strong relationship between Machine Tool industry and Auto Component industry. Performance of Automobile industry will affect the performance of machine tool industry. The demand for machines in India and production of automobile in India shows a strong coefficient of correlation at 0.63. Correlation coefficient ranges between -1 to 1, and correlation coefficient at 0.69 is considered as strong between these sectors.

Automobile industry could not grow in the desired path during last two years due to slowdown in the economy. As per Auto mission plan industry is expected to reach around USD Bn 120-160 by 2016. Government thrust on Manufacturing sector and reduction of excise duty on auto industry is likely to fillip to the sector. Given the strong correlation between automobile industry and machine tools, demand for machine tools is likely to grow at a healthy rate.

+ Opportunities for machine tool industry

Looking at the current trend, we feel that coming year should be even better as compared to this year. Some specific opportunities are penned below:

- ❖ Indian automobile market is full of tremendous opportunities.
- ❖ The density of cars currently in India is 13 per 1000, whereas in US, Germany and France it is 641, 532 and 499 respectively. According to reports from IHS Automotive, sales of cars and light CVs are believed to reach 6-7 million by 2020, up from a predicted 3.7 million this year.
- ❖ With the increased demand for new variants in passenger cars and auto industry projected to grow at healthy pace, demand for machine tools is expected to increase to with the increased demand from auto industry.
- ❖ Young demography and increasing disposable income

will increase demand for cars, which lead to increase in demand for machine tools.

+ Segment wise or product wise performance

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

+ Risk and concerns

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

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

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

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

+ Internal controls systems and their accuracy:

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

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

The company has constituted Audit Committee consisting of non-executive and independent Directors to look into



various aspects of Accounts. The company has a clearly defined organization structure in place.

✦ **Discussion on financial performance with respect to operational performance.**

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

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

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

employees with a continuing focus on productivity and efficiency.

✦ **Cautionary statement**

Statements in the Management Discussion and Analysis Report which describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward-looking statements" within the meaning of applicable Securities Laws and Regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however materially differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian political, economic and demand-supply conditions, finished goods prices, raw materials cost and availability, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Policies, tax regimes, economic developments within India besides other factors such as litigation and industrial relations as well as the ability to implement strategies. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

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

Date: May 30, 2016

Place : Nagpur

✍ Ajayprakash Kanoria
Chairman & Managing Director

ANNEXURE'S TO THE DIRECTOR'S REPORT

“ANNEXURE A”

FORM NO. AOC-2

PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto;

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL

- (a) Names(s) of the related party and nature of relationship: NA
- (b) Nature of the contracts/arrangements/transactions: NA
- (c) Duration of the contracts / arrangements/ transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, If any: NA
- (e) Justification for entering into such contracts or arrangements or transactions: NA
- (f) Date(s) of approval by the Board: NA
- (g) Amount paid as advances, if any: NA
- (h) Date on which the special resolution was passed in

general meeting as required under first proviso to section 188: NA

2. Details of the material contracts or arrangements or transactions at arm's length basis:

- (a) Names(s) of the related party and nature of relationship: Please see Annexure to AOC -2
- (b) Nature of contracts/Arrangements/ Transactions: Please see Annexure to AOC -2
- (c) Duration of the contracts /Arrangements/ Transactions: Please see Annexure to AOC -2
- (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 the Board: Approved by the Board of Directors* on April 7, 2015 as all transactions are in the ordinary course of business and at arm's length basis.
- (f) Amount paid as advances during the F.Y. 2015-16, if any: Please see Annexure to AOC -2

“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. 2015-16, if any:	Amount of Transactions (in ₹)	
				2015-16	2014-15
(a)	(b)	(c)	(f)		
Nagpur Tools Private Limited	Promoter Group Company	Job Work	NIL	41,517,458	41,815,810
Adishree Engineering Private Limited	Promoter Group Company	Job Work	503,636	5,468,297	3,010,214
Mrs. Snehalata Kanoria	Mother of Mr. Ajayprakash Kanoria, Chairman & Managing Director	Interest on Loan	NIL	15,000	15,000

For **Emkay Taps and Cutting Tools Limited**

Place: Nagpur
Date: May 30, 2016


Ajayprakash Kanoria
Chairman & Managing Director


Vishnu Sontakke
Chief Financial Officer

“ANNEXURE B”

SECRETARIAL AUDIT REPORT For the financial year ended 31st March 2016

[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

1. We 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 us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.
 - i. Management' Responsibility for Secretarial Compliances:

The Company's Management is responsible for preparation and maintenance of Secretarial Records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.
 - ii. Auditor's Responsibility:

Our responsibility is to express an opinion on the Secretarial records, standards and procedures followed by the Company with respect to Secretarial Compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
2. Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has, during the audit period covering the financial year ended on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on March 31, 2016, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
 - iii. The Depositors Act, 1996 and the Regulations and Bye laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; which is not applicable to the Company;
 - v. The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992, (SEBI Act):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.



- c. The Securities and Exchange Board of India (Issue of capital and Disclosure of requirements) Regulations, 2009
- d. The Securities and exchange Board of India (Employees Stock option scheme and employees stock purchase scheme) Guidelines, 1999*.
- e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations 2008*.
- f. 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.
- g. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009*.
- h. The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998*.

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.

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India.
- b. Listing agreement and Uniform Listing Agreement (w.e.f. 29th January, 2016) entered in to by the Company with NSE Limited.

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

We further report that:

- + Based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary / Chief Executive Office taken on record by the Board of Directors of the Company, in our opinion, adequate systems and process exist in the Company to monitor and ensure compliance with provisions of applicable general laws like labour laws and environmental laws.
- + The compliance by the Company of applicable laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.
- + 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 is 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. Majority decision is carried through and based on the verification of the minute's book for the year under review there were no instances of any Director having expressed a dissenting view.

We 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.

We further report that during the year under review:

- a) The Company has converted from Private Limited to Public Limited w.e.f. April 24, 2015.
- b) All shares of the Company were dematerialized in the year under review pursuant to agreement with the National Securities Depository Limited, the depository participant and as on date company has appointed Bigshare Services Pvt. Ltd., Mumbai as the Registrar and Share Transfer agent of the Company to maintain all the statutory records relating to shares and its holding.

*Note: * Not applicable to the Company during the year under review.*



EMKAY TOOLS

Emkay Taps And Cutting Tools Limited

**Annual Report
2015-16**

- c) The shares of the Company were listed on EMERGE SME Platform of National Stock Exchange on August 13, 2015, through offer for sale of 471200 Equity Shares of Rs. 10.00 each at a Cash Price of Rs. 330.00, at a Share Premium of Rs. 320.00 per Equity shares.

Date: May 30, 2016

Place: Nagpur

For N. R. & ASSOCIATES
Company Secretaries

✍️ ROSHAN HARDE
(PARTNER)

Mem. No. 34630

CP. No. 13138

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

“ANNEXURE TO THE SECRETARIAL AUDIT REPORT”

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

- 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.
- We 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. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- We 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.
- We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc., wherever required.
- 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.
- 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.

Date: May 30, 2016

Place: Nagpur

For N. R. & ASSOCIATES
Company Secretaries

✍️ ROSHAN HARDE
(PARTNER)

Mem. No. 34630

CP. No. 13138

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

“ANNEXURE-C”

FORM NO.MGT-9

**EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2016**

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

I. REGISTRATION AND OTHER DETAILS

CIN	: L29220MH1995PLC091091
Registration Date	: 27-07-1995
Name of the Company	: Emkay Taps And Cutting Tools Limited
Category/Sub-Category of the Company	: Company limited by shares / Indian Non-Government Company
Address of the Registered office and contact details	: Plot No B-27 and B-27/1, MIDC HINGNA, INDUSTRIAL ESTATE, NAGPUR-440016
Whether listed company	: Yes, the Company got listed on NSE EMERGE“SME Platform” August 13, 2015
Name, 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. No.: 022-28470652/ 022-40430262/022-40430289 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	3570*	96.43%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

*As per Revised National Industrial Classification – 1987

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

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2015)				No. of shares held at the end of the year (As on March 31, 2016)				% change during the year*
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares [#]	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	14,71,150	14,71,150	82.72	10,49,950	-	10,49,950	59.03	23.69
b) Central Bank	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	3,06,650	3,06,650	17.24	2,56,650	-	2,56,650	14.43	2.81
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	17,77,800	17,77,800	99.95	13,06,600	-	13,06,600	73.46	26.49
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A1)+(A2)	-	17,77,800	17,77,800	99.95	13,06,600	-	13,06,600	73.46	26.49
B. Public Shareholding									
I. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign	-	-	-	-	-	-	-	-	-

* Percentage Change in shareholding is due to following reason:

#Offer for Sale by the Promoter & Promoter group of 4, 71,200 shares, pursuant to which Company got listed on NSE SME EMERGE platform on August 13, 2015.



Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2015)				No. of shares held at the end of the year (As on March 31, 2016)				% change during the year*
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares*	
Venture Capital Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
Non-Institutions									
a) Bodies Corporate	-	-	-	-	1,53,200	-	1,53,200	8.61	8.61
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual Shareholders	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding Nominal Share Capital up to ₹2,00,000.00	-	750	750	0.04	1,81,950	-	1,81,950	10.23	10.19
i) Individual Shareholders holding Nominal Share Capital in excess of ₹2,00,000.0	-	-	-	-	1,36,800	-	1,36,800	7.69	7.69
c) Others - NRIs	-	-	-	-	-	-	-	-	-
d) Clearing Member	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	750	750	0.04	4,71,950	-	4,71,950	26.53	26.49
Total Public Shareholding (B)=(B1)+(B2)	-	750	750	0.04	4,71,950	-	4,71,950	26.53	26.49
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	17,78,550	17,78,550	100.00	17,78,550	-	17,78,550	100.00	-

* Percentage Change in shareholding is due to following reason:

#Offer for Sale by the Promoter & Promoter group of 4, 71,200 shares, pursuant to which Company got listed on NSE SME EMERGE platform on August 13, 2015.

**ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year (As on April 1, 2015)		No. of shares held at the end of the year (As on March 31, 2016)			% change in shareholding during the Year ^a
		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	
1.	Ajayprakash Kanoria	1,60,625	9.03	-	96,375	5.42	3.61
2.	Ajayprakash Kanoria HUF	9,98,000	56.11	-	7,65,960	43.07	13.04
3.	Alka Kanoria	3,12,275	17.56	-	1,87,365	10.53	7.03
4.	Nagpur Tools Private Limited	3,06,400	17.23	-	2,56,400	14.42	2.81
5.	Adishree Engineering Pvt. Ltd.	250	0.01	-	250	0.01	-
6.	Apoorvashree Kanoria	250	0.01	-	250	0.01	-
	Total	17,77,800	99.95	-	13,06,600	73.46	26.49

iii) Change in Promoter's Shareholding:

Name	Shareholding at the beginning of the year (As on 01-04-2015)		Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)				
	No. of Shares	% of total shares of the company	Date ^b	Increase/ Decrease in Shareholding	Reason for Decrease	No. of Shares	% of total shares of the company
Ajayprakash Kanoria	1,60,625	9.03	10-08-2015	64,250	Offer for sale	96,375	5.42
Ajayprakash Kanoria HUF	9,98,000	56.11	10-08-2015	2,32,040	Offer for sale	7,65,960	43.07
Alka Kanoria	3,12,275	17.56	10-08-2015	1,24,910	Offer for sale	1,87,365	10.53
Nagpur Tools Pvt. Ltd.	3,06,400	17.23	10-08-2015	50,000	Offer for sale	2,56,400	14.42
Adishree Engineering Pvt. Ltd.	250	0.01	10-08-2015	64,250	Offer for sale	250	0.01
Apoorvashree Kanoria	250	0.01	10-08-2015	1,24,910	Offer for sale	250	0.01

Note:

^a refer note in IV (i) for Change in Shareholding during the year.^b with reference to note in IV (i) for Change in Shareholding during the year, the shares offered for sale were debited from the Demat account of sellers on August 10, 2015.



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

Sr. No.	Name	Shareholding at the beginning of the year (As on April 1, 2015)/ at the end of the year (March 31, 2016)		Cumulative Shareholding during the year (April 1, 2015 to March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SUDARSHAN TRADING AND MANUFACTURING PVT. LTD.*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	85,200	4.79
	Less: Sale of Shares (Market sale)	–	–	4,800	0.27
	At the End of the Year	80,400	4.52	80,400	4.52
2.	BRAJKISHORE AGRAWAL*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	51,200	2.88
	Less: Sale of Shares (Market sale)	–	–	–	0.00
	At the End of the Year	51,200	2.88	51,200	2.88
3.	VIBRANT GLOBAL CAPITAL LTD. *				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	45,600	2.56
	Less: Sale of Shares (Market sale)	–	–	–	0.00
	At the End of the Year	45,600	2.56	45,600	2.56
4.	NAGINADEVI AGRAWAL*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	41,200	2.32
	Less: Sale of Shares (Market sale)	–	–	–	0.00
	At the End of the Year	41,200	2.32	41,200	2.32
5.	ROHIT AGRAWAL*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	22,400	1.26
	Less: Sale of Shares (Market sale)	–	–	0	0.00
	At the End of the Year	22,400	1.26	22,400	1.26
6.	NIKHIL SHASHI AGRAWAL*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	22,000	1.24
	Less: Sale of Shares (Market sale)	–	–	0	0.00
	At the End of the Year	22,000	1.24	22,000	1.24

[#]with reference to note in IV (i) for Change in Shareholding during the year, the shares offered for sale were credited to the Demat accounts of buyers on August 10, 2015.

*The shareholders were not there in top ten shareholders list of 2014-15 however, as on March 31, 2016 they are the top ten shareholders of the company, hence the details of their holding are shown above.



7.	SHASHI BHUSHAN OMPRAKASH AGRAWAL*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	22,000	1.24
	Less: Sale of Shares (Market sale)	–	–	0	0.00
	At the End of the Year	15,600	0.88	15,600	0.88
8.	PRIYA VINIYOG PVT LTD.*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	13,200	0.74
	Less: Sale of Shares (Market sale)	–	–	0.00	0.00
	At the End of the Year	13,200	0.74	13,200	0.74
9.	VINODKUMAR RANCHHODDAS MOHOTA*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	12,800	0.72
	Less: Sale of Shares (Market sale)	–	–	0.00	0.00
	At the End of the Year	12,800	0.72	12,800	0.72
10.	TUSHAR ANUJ BADJATE*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	10,800	0.61
	Less: Sale of Shares (Market sale)	–	–	0	0.00
	At the End of the Year	10,800	0.61	10,800	0.61
11.	VEENADEVI VINODKUMAR MOHOTA*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	10,800	0.61
	Less: Sale of Shares (Market sale)	–	–	0	0.00
	At the End of the Year	10,800	0.61	10,800	0.61
12.	SHANTILAL S BADJATE*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	10,800	0.61
	Less: Sale of Shares (Market sale)	–	–	0	0.00
	At the End of the Year	10,800	0.61	10,800	0.61
13.	PRITI ANUJ BADJATE*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	10,800	0.61
	Less: Sale of Shares (Market sale)	–	–	0	0.00
	At the End of the Year	10,800	0.61	10,800	0.61
14.	ANUJ SHANTILAL BADJATE*				
	At the beginning of the Year [#]	0	0.00	0	0.00
	Add: Purchase of shares (Market Purchase)	–	–	10,800	0.61
	Less: Sale of Shares (Market sale)	–	–	0	0.00
	At the End of the Year	10,800	0.61	10,800	0.61

*with reference to note in IV (i) for Change in Shareholding during the year, the shares offered for sale were credited to the Demat accounts of buyers on August 10, 2015.

*The shareholders were not there in top ten shareholders list of 2014-15 however, as on March 31, 2016 they are the top ten shareholders of the company, hence the details of their holding are shown above.



15. RAHIM KHAN[^]					
At the beginning of the Year	500	0.03	500	0.03	
Add: Purchase of shares (Market Purchase)	0	0.00	0	0.00	
Less: Sale of Shares (Market sale)	0	0.00	0	0.00	
At the End of the Year	500	0.03	500	0.03	
16. RAMKHILAWAN GUPTA[^]					
At the beginning of the Year	250	0.01	250	0.01	
Add: Purchase of shares (Market Purchase)	0	0.00	0	0.00	
Less: Sale of Shares (Market sale)	0	0.00	0	0.00	
At the End of the Year	250	0.01	250	0.01	

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

Sr. No.	Name	Shareholding at the beginning of the year i.e. as on 01-04-15		Date [#]	Increase/Decrease in share-Holding during the year	Reason	Cumulative Shareholding during the year (2015-16)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
A. DIRECTORS:								
1.	Ajayprakash Kanoria	1,60,625	9.03	10-08-2015	64,250	Offer for Sale	96,375	5.42
2.	Alka Kanoria	3,12,275	17.56	10-08-2015	1,24,910	Offer for Sale	1,87,365	10.53
B. KEY MANAGERIAL PERSONNEL (KMP):						NIL		

VIII. INDEBTEDNESS

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

(Amount in ₹)

Particulars	Amount (₹ In crores)			
	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	1.66	0.01	0.00	1.67
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0	0.00	0.00	0.00
TOTAL (i + ii + iii)	1.66	0.01	0.00	1.67

[^] The shareholders were the top ten shareholders in 2014-15 however, as on March 31, 2016 they discontinued to be in the top ten shareholders list.[#] with reference to note in IV (i) for Change in Shareholding during the year, the shares offered for sale were credited to the Demat accounts of buyers on August 10, 2015.



Change in Indebtedness during the financial year				
Addition	0.75*	0.00*	0.00	0.75
Reduction	0.16	0.00	0.00	0.16
Exchange Difference	0.00	0.00	0.00	0.00
Net Change	0.00	0.00	0.00	0.00
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	2.25	0.01*	0.00	2.26*
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
TOTAL (i +ii+ iii)	2.25	0.01*	0.00	2.26*

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount ₹
		Ajayprakash Kanoria	Alka Kanoria	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,600,000	1,200,000	4,800,000
	(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	5,730,694	3,820,462	9,551,156
	TOTAL (A)	9,330,694	5,020,462	14,351,156

B. Remuneration to other directors: NIL

Sr. No.	Name of Director	Particulars of Remuneration		Total Amount Paid (₹)
		Fee for attending Board / Committee Meetings	Commission Others, if any specify	
I.	Independent Directors			
a.	Mahesh Mor	10,000	-	22,500
b.	Rahul Bagdia	10,000	-	55,000
c.	Ravindra Loiya	10,000	-	15,000
	Total (1)	-	-	92,500

Note:

*Amount of unsecured loan added is ₹13,500/- * Addition is due to utilization of CC limit during the F.Y. 15-16.



2.	Other Non-Executive Directors	NA		
	Total (2)	NIL	NIL	NIL
TOTAL (B)=(1+2)		-	-	92,500
TOTAL MANAGERIAL REMUNERATION		(A+B)	14,443,656.00	
OVERALL CEILING AS PER THE COMPANIES ACT, 2013 (As per section 197 and 198)		11% of Net Profit	18,273,842.93	

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel Amount in lakhs (₹)		
		CS	CFO	Total
1.	Gross salary	2.40	3.77	6.17
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
b.	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
a.	As % of profit	-	-	-
b.	Others, specify	-	-	-
5.	Others, please specify	-	-	-
	TOTAL	2.40	3.77	6.17

VII. Penalties / Punishment / Compounding of Offences:

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

" ANNEXURE D"

ANNUAL REPORT ON THE CSR ACTIVITIES

Pursuant to the Companies (Corporate Social Responsibility policy) Rules, 2014

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

Objective:

Corporate Social Responsibility is a way of conducting business which enables creation and distribution of wealth for the betterment of local populace, its stakeholders and society at large, through implementation and integration of ethical systems and sustainable management practices. It is to actively contribute to the social and economic development of the communities in which we operate. In doing so build a better, sustainable way of life for the weaker sections of society and raise the country's human development index".

CSR Activity:

Activities which may be included by companies in their Corporate Social Responsibility Policies

Activities relating to:-

- i) Eradicating extreme hunger and poverty;
- ii) Promotion of education;
- iii) Promoting gender equality and empowering women;
- iv) Reducing child mortality and improving maternal health;
- v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi) Ensuring environmental sustainability;
- vii) Employment enhancing vocational skills;
- viii) Social business projects;
- ix) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- x) Such other matters as may be prescribed by the Central Government on time to time basis.

CSR Expenditure:

CSR expenditure shall include all expenditure including contribution to corpus, the projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

Web-Link: <http://emkaytapsandtools.com/csr-policy/>



	<u>Project proposed to be undertaken:</u>
	The CSR committee headed by Mr. Ajayprakash Kanoria has identified and recommended a project proposal of DILASA foundation and the Company has decided to undertake the project proposal of watershed project in drought affected areas of Yavatmal district of Vidarbha region of Maharashtra state and for this purpose has signed Memorandum of Understanding (MOU) on May 7, 2016 with the DILASA foundation who is already working in this area.
	As of now, the Company has decided to spend ₹ 5 lakhs for the CSR activity* with the DILASA foundation.
2	The composition of the CSR committee
	The CSR Committee is headed by Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria and Mr. Mahesh Mor are the members of the Committee.
3	Average net profit of the Company for last three financial years
	Average Net profit for 2014-15, 2013-14 and 2012-13 is ₹10,87,19,072.39/-
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)
	₹ 21,74,381.45/-
5	Details of CSR spent during the financial year
	NIL
	a) Total amount to be spent for the financial year
	NA
	b) Amount unspent, if any;
	NA
	c) Manner in which the amount spent during the financial year is detailed below
	NA
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, <u>the reason for not spending the amount</u>
	The Company was in the process of preparing the CSR Policy, identifying projects and was working on streamlining the project implementation and Project monitoring etc. Moreover, identifying new projects along with the monitoring of implementation of projects is a time consuming and knowledge oriented activity. Selecting good and result oriented project requires time, knowledge, skill and availability. Accordingly, though the Company is covered under the purview of Section 135 of the Companies Act 2013 the actual spend is expected to gather steam only over a period of 2-3 years; after which the Company will be in position to achieve the budgeted spend within the respective year itself. The Company always remains committed to meet its CSR obligations on annual basis.
7	A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance of CSR objectives and policy of the Company
	The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For **Emkay Taps and Cutting Tools Limited**

Date: May 30, 2016

Place: Nagpur

✍ Ajayprakash Kanoria
Chairman & Managing Director

✍ Alka Kanoria
Wholetime Director

*The details of CSR project shall be given in the Board Report of 2016-17

**“ANNEXURE E”****Particulars of Employees**

The information pursuant to Section 197 of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

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. 2015-16.
- C. The median remuneration of employees for this financial year is ₹ 2, 72,811/-

(₹ In Lakhs)

Sr. No.	Name	Designation	Total Remuneration (in ₹)	Ratio of Directors Remuneration to Median remuneration (A)	% increase in the remuneration (B)
I EXECUTIVE DIRECTOR					
1.	Mr. Ajayprakash Kanoria	Chairman & Managing Director	9,330,694	34.20	27.75% [^]
2.	Mrs. Alka Kanoria	Whole-time Director	5,020,462	18.40	More than 100% [^]
II NON-EXECUTIVE DIRECTOR[*]					
3.	Mr. Mahesh Mor	Independent Director	22,500	0.08	NA [§]
4.	Mr. Rahul Bagdia	Independent Director	55,000	0.20	NA [§]
5.	Mr. Ravindra Loiya	Independent Director	15,000	0.06	NA [§]
III KEY MANAGERIAL PERSONNEL					
6.	Mr. Vishnu Sontakke	Chief Finance Officer	3,77,040	1.38	15.68% [^]
7.	Ms. Shruti Sohane	Company Secretary	2,40,000	0.88	NA [§]

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:

- a. Employee Who, if employed throughout the financial year, was in receipt of remuneration exceeding ₹ 60 Lacs, in the aggregate is as follows there were no other employees of the Company receiving remuneration exceeding ₹ 60 Lacs, in the aggregate;

Sr. No.	Name	Designation	Remuneration (₹)	Nature Employment/ Date of Commencement / Last employment held	Qualifications and Experience	% of Equity Shares held	Relative of any Director or Manager and if so Name of such Director/Manager
1.	Ajayprakash Kanoria	Chairman & Managing Director	93,30,694	Permanent/Appointed as Director since incorporation i.e. July 27, 1995/before joining the Company was proprietor of EMKAY TOOLS	B.Com., Chartered Accountant (Intermediate) and 36 years of experience	48.49%	Yes, husband of Alka Kanoria, Whole-time director

^{*}Total Sitting fees per meeting is ₹ 10,000/- (Board meeting- 7,500 and Committee Meeting 2,500/-

[§] Appointed in Fiscal 2015-16.

[^]Calculated w.r.t. figures of fiscal 2014-15.



There were no employees of the Company who:

- b. if employed for a part of the financial year, was in receipt of remuneration exceeding ₹ 5 Lacs per month; and
- c. if employed throughout the financial year or part thereof, was in receipt of remuneration, in aggregate, 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.

Hence, no statement showing particulars of employees of the Company is given in this annexure.

3. 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 2015-16
2015-16	2014-15	
2,72,622	2,35,206	15.91%
2,73,000	2,47,800	10.17%

4. The number of permanent employees on the rolls of company as on March 31, 2016: Fifty Eight (58)

5. The Explanation on the relationship between average increase in remuneration and Company performance:

The Gross revenue of the Company during the Fiscal Year 2015-2016 was ₹ 46.31 crores which is higher by approximately 12% over the previous year.

The total employee cost for the Fiscal Year 2015-16 was ₹ 2.88 crores as against ₹ 2.71 crores for the Fiscal Year 2014-15, indicating an overall increase of 6.27%. The percentage increase in the median remuneration during Fiscal 2015-16 is as mentioned in point no. 3 above.

Average increase in the remuneration is guided by factors like economic growth, inflation, mandatory increases, external competitiveness and talent retention. Whilst the Company endeavors on cost effective initiatives including employees cost being one of the key areas of cost monitoring and control, the results of any structural initiatives needs to be measured over a long term horizon and cannot be strictly compared with annual performance indicators.

The Company remains committed to pursuing the long term interest of all stakeholders, which includes recruiting and retaining an industry proven management team and ensuring that the Company's leadership and talent base is appropriately remunerated, notwithstanding cyclical phases. This is especially imperative when the Company has ongoing significant turnaround and growth strategies under execution.

6. Comparison of the Remuneration of the Key Managerial personnel against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel (KMP) in Fiscal 2014-15	
Remuneration in fiscal 2015-16 (₹ crores)	1.45/-
Revenue (₹ crores) (net of excise)	46.54/-
Remuneration as % of revenue	3.12%
Profit/Loss before Tax (PBT) (₹ crores)	19.32/-
Remuneration of KMP (as % of PBT)	7.51%

Employee Cost (Employees Benefit expenses) and other significant internal and external factors impacting performance of the Company are explained in detail in the Management Discussion & Analysis Report.



7. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2016	March 31, 2015	% change
Market Capitalisation (₹crores)	61.35	1.78	NA*
Price Earnings Ratio	4.32 [§]	NA*	NA*

8. Percentage increase over the last public offer price is not relevant as there has never been any public offer by the Company. The Securities of the Company got listed on NSE EMERGE SME platform through offer for sale by the Promoter and Promoter Group.
9. 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 2015-16
All permanent Employees	15.94% [§]
Executive Directors/ Managerial Remuneration	
Mr. Ajayprakash Kanoria	27.75% [^]
Mrs. Alka Kanoria	More than 100% [^]

10. The key parameters for any variable component of remuneration availed by the directors:

In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided, the Company provides MD/ EDs such remuneration by way of commission, based on the profitability of Company, pursuant to Section 197 of the Act to commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them.

11. Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company:

Each KMP is granted salary based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible. Performance of the Company has been quite satisfactory this year.

12. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not Applicable

13. Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration for Managing Director (“MD”)/ Whole-time Directors (“WTD”)/ KMP/ rest of the employees are as per the remuneration policy of the Company.

* The Company got listed in fiscal 2015-16 on August 13, 2015, thus Market Capitalisation was not applicable in fiscal 2014-15. The figure given in fiscal 2014-15 is as per face value of the Company.

§ Market Price as on March 31, 2016 is ₹345/-.

^ Calculated w.r.t. figures of fiscal 2014-15.

18 employees receive 0% increase in their salary for the purpose of average calculation same were not included in the total.

“ANNEXURE F”

Particulars of Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo, as per 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, 2015.

+ CONSERVATION OF ENERGY

➤ **Steps taken or impact on conservation of energy:**

The Company has always been conscious about the conservation of energy.

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

Company is dependent on State Electricity Board for supply of Energy.

➤ **Capital investment on energy conservation equipment's:** NIL

+ TECHNOLOGY ABSORPTION

➤ **Efforts made towards technology absorption:**

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

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

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

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

➤ **The expenditure incurred on Research and Development:** NIL

+ FOREIGN EXCHANGE EARNINGS AND OUTGOING

PARTICULAR	2015-16	2014-15
Total Foreign Exchange Outgo	8.18	4.72
Total Foreign Exchange Earned	2.79	2.48

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Emkay Taps And Cutting Tools Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation & presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit for the period ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on 'the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representation received from the directors as on 31st March, 2016 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigation which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 30/05/2016

Place: Nagpur

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

✍ **Vijay Agrawal**
Partner
Membership No. 031863

ANNEXURE – A - TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our independent auditor's report to the members of Emkay Taps And Cutting Tools Limited ("the Company"), on the Financial Statements for the period ended 31st March 2016, 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 are 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 thereunder, where applicable, have been complied with by the Company.

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

vii. We have broadly reviewed the books of accounts and records maintained by the Company relating to the products of the Company pursuant to the rules made by the Central Government for the maintenance of Cost records under sub section (1) of Section 148 of the Companies Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of the records with a view to determine whether they are accurate or complete.

viii. In respect of statutory dues:

- a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. There are no undisputed amounts payables in respect of the aforesaid dues as on 31st March 2016 for a period more than six months from the date of becoming payable.
- b) The Company has certain disputed statutory dues pending to be deposited as on 31st March 2016 in respect of provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. The details of which are as follows :

Sr. No.	Particulars	Year	Amount (in ₹)	Forum
1	Sales Tax	2000-2001	Rs. 1,44,790/-	Appeals
		2009-2010	Rs. 1,61,009/-	Appeals
		2011-2012	Rs. 2,72,914/-	Appeals

ix. Moneys raised by way of public issue/ follow-on offer (including debt instruments) and term loans were applied by the Company for the purposes for which those are raised during the period under reporting.

x. The Managerial Remuneration paid / provided by the Company is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act 2013.



- xi. During the period under reporting, No fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported.
- iv. The Company is not a Nidhi Company and hence provisions of Nidhi Companies of maintaining Net Owned Fund in the ratio of 1: 20 to meet out the liability and to maintain 10% liquid assets to meet out the unencumbered liability are not applicable to the Company. Accordingly, Para (xii) of the Order is not applicable.
- v. As per the information and explanations given to us the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.
- vi. As per the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.
- vii. The Company during the period under reporting has not entered into any non-cash transactions with directors or persons connected with him. Hence Para xv of the Order is not applicable.

Date: 30/05/2016

Place: Nagpur

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

✍ **Vijay Agrawal**
Partner
Membership No. 03186

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

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

We have audited the internal financial controls over financial reporting of Emkay Taps & Cutting Tools Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the "Institute of Chartered Accountants of India". These responsibilities include the design, implementation and

maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the



Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

Date: 30/05/2016

Place: Nagpur

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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
VIJAY AGRAWAL & COMPANY
Chartered Accountants
FRN: 138350W

Vijay Agrawal
Partner
Membership No. 03186

**EMKAY TOOLS**

Emkay Taps And Cutting Tools Limited

**Annual Report
2015-16****BALANCE SHEET AS ON 31st MARCH 2016**

(Amount in ₹)

PARTICULARS	Note. No.	Figures as at the end of 31st March 2016	Figures as at the end of 31st March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	4	17,785,500.00	17,785,500.00
(b) Reserves And Surplus	5	705,794,460.16	562,458,493.76
(2) Share Application Money Pending Allotment			
-			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	6	247,904.63	1,487,576.08
(b) Deferred Tax Liabilities (Net)	7	19,324,434.00	22,060,502.00
(4) Current Liabilities			
(a) Short-Term Borrowings	8	22,428,648.58	15,200,813.70
(b) Trade Payables	9	18,356,284.57	23,579,810.15
(c) Other Current Liabilities	10	21,415,101.83	19,805,223.74
(d) Short-Term Provisions	11	1,946,328.00	6,445,693.00
Total :		807,298,661.77	668,823,612.43
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	163,887,512.01	139,426,744.55
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	13	363,514,694.10	306,078,675.88
(c) Deferred tax assets (net)			
(d) Long term loans and advances	14	2,774,473.00	1,132,404.00
(e) Other non-current assets	15	2,604,198.00	-
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	124,429,746.61	96,060,515.31
(c) Trade Receivables	17	110,305,042.82	95,469,250.45
(d) Cash And Cash Equivalents	18	16,524,525.21	18,627,064.97
(e) Short-Term Loans And Advances	19	12,380,908.06	5,275,195.47
(f) Other Current Assets	20	10,877,561.96	6,753,761.80
Total :		807,298,661.77	668,823,612.43
Cash Flow Statement		Note 1	
Significant Accounting Policies		Note 2 & 3	
Notes forming Part of Balance Sheet		Note 1 to 41	

For Emkay Taps And Cutting Tools Ltd.

✉ Ajayprakash Kanoria
Chairman & Managing
Director

✉ Alka Kanoria
Whole-time
Director

✉ Vishnu K. Sontakke
Chief Financial
Officer

✉ Shruti Sohane
Company
Secretary

As Per My Report of Even Date Attached

For M/s Vijay Agrawal & Company
FRN 138350W

✉ Vijay Agrawal
Partner
Membership No. 031863

Date : 30/05/2016
Place : Nagpur

**EMKAY TOOLS**

Emkay Taps And Cutting Tools Limited

**Annual Report
2015-16****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016**

(Amount in ₹)

	PARTICULARS	Note No.	For the year ended 31 st March 2016	For the year ended 31 st March 2015
I.	Revenue From Operations	21	419,863,365.55	377,660,345.25
II.	Other Income	22	46,696,625.55	24,661,087.34
III.	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(3,487,483.08)	12,673,386.42
IV.	Total Revenue		463,072,508.02	414,994,819.01
V.	Expenses			
(a)	Cost of Raw Material Consumed	24	65,240,630.27	58,093,859.88
(b)	Cost of Stores Consumed	25	14,340,398.86	11,886,373.77
(c)	Cost of Packing Material Consumed	26	2,615,625.78	2,141,176.57
(d)	Manufacturing Expenses	27	105,799,662.55	95,441,931.74
(e)	Windmill Expenses	28	3,989,422.00	2,576,254.00
(f)	Shares Expenses	29	376,660.83	497,843.68
(g)	Employee Benefit Expenses	30	28,783,680.80	27,094,088.49
(h)	Administration Expenses	31	18,753,080.50	16,247,533.18
(i)	Selling & Distribution Expenses	32	7,942,424.87	8,977,940.42
(j)	Other Expenses	33	772,920.90	681,594.00
(k)	Finance Costs	34	1,193,934.74	874,000.34
(l)	Depreciation And Amortization Expenses	35	22,240,947.52	26,364,637.62
V.	Total Expenses		272,049,389.62	250,877,233.69
VI.	Profit Before Exceptional And Extraordinary Items And Tax	[IV - V]	191,023,118.40	164,117,585.32
VII.	Exceptional Items		-	-
VIII.	Profit Before Extraordinary Items And Tax	[VI - VII]	191,023,118.40	164,117,585.32
IX.	Extraordinary Items		-	-
X.	Profit Before Tax	[VIII - IX]	191,023,118.40	164,117,585.32
XI.	Tax Expenses :			
(a)	Income Tax	36	53,295,220.00	60,616,092.00
(b)	Deferred Tax		(2,736,068.00)	(4,872,645.00)
XII.	Profit / (Loss) From The Period From Continuing Operations	[X - XII]	140,463,966.40	108,374,138.32
XIII.	Profit / (Loss) From Discontinuing Operations		-	-
XIV.	Tax Expense of Discounting Operations		-	-
XV.	Profit / (Loss) From Discontinuing Operations After Tax	[XIII - XIV]	-	-
XVI.	Profit / (Loss) For The Period	[XII + XV]	140,463,966.40	108,374,138.32
XVII.	Earning per equity share :	37		
(1)	Basic		78.98	58.75
(2)	Diluted		78.98	58.75

For Emkay Taps And Cutting Tools Ltd.

✍ Ajayprakash Kanoria
Chairman & Managing
Director

✍ Alka Kanoria
Whole-time
Director

✍ Vishnu K. Sontakke
Chief Financial
Officer

✍ Shruti Sohane
Company
Secretary

As Per My Report of Even Date Attached

For M/s Vijay Agrawal & Company
FRN 138350W

✍ Vijay Agrawal
Partner
Membership No. 031863

Date : 30/05/2016
Place : Nagpur

**EMKAY TOOLS**

Emkay Taps And Cutting Tools Limited

**Annual Report
2015-16****STATEMENT OF CASH FLOW**

Note 1

(Amount in ₹)

PARTICULARS	For the year ended	
	31.03.2016	31.03.2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	191,023,118.40	164,117,585.32
Adjustment for:		
Depreciation & Amortisation Expenses	22,240,947.52	26,364,637.62
Interest Paid	1,193,934.74	874,000.34
Interest Received / Other Non Operative Receipt (Dividend Received)	(46,696,625.55)	(24,661,087.34)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	167,761,375.11	166,695,135.94
Movement in working capital		
Decrease / (Increase) in inventories	(28,369,231.30)	(14,479,691.70)
Decrease / (Increase) in trade receivable	(14,835,792.37)	(20,977,723.14)
Decrease / (Increase) in short term loans & advances	(7,105,712.59)	(443,930.91)
Decrease / (Increase) in other current assets	(4,123,800.16)	(1,623,053.67)
Increase / (Decrease) in trade payable	(5,223,525.58)	9,392,470.84
Increase / (Decrease) in other current liabilities	1,609,878.09	6,195,199.27
Increase / (Decrease) in short term provisions	127,826.00	235,850.00
CASH GENERATED FROM OPERATION	109,841,017.20	144,994,256.63
Taxes Paid (Net of Refunds)	(57,922,411.00)	(66,817,880.00)
NET CASH FROM OPERATING ACTIVITIES	51,918,606.20	78,176,376.63
CASH FLOW USED IN INVESTING ACTIVITIES:		
Fixed Asset Purchased (Net)	(46,050,665.98)	(10,101,702.33)
Interest Received / Other Non Operative Receipt (Including Subsidy Received)	49,568,625.55	26,826,087.34
Adjustment for:		
Long Term Loan & Advances	(1,642,069.00)	(5,059.40)
Non Current Investments	(57,436,018.22)	(57,011,461.77)
Other Non Current Assets	(3,255,247.00)	-
Acquisition / Subscription / Investment in Subsidiaries / Associates	-	-
Advances to parties	-	-
Net Cash flow used in Investing Activities	(58,815,374.65)	(40,292,136.16)
CASH FLOW FROM FINANCING ACTIVITIES:		
Payment on Buy Back of Share Capital	-	(25,862,400.00)
Proceeds from Short term borrowings	7,227,834.88	(2,897,235.47)
Proceeds from Long term borrowings	(1,239,671.45)	1,013,311.08
Payment of Dividend and tax on it	-	-
Interest paid	(1,193,934.74)	(874,000.34)
Net Cash flow from Financing Activities	4,794,228.69	(28,620,324.73)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(2,102,539.76)	9,263,915.74
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	18,627,064.97	9,363,149.23
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	16,524,525.21	18,627,064.97
NOTES:-		
1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 On Cash Flow Statements as recommended by Companies Accounting Standard Rules, 2006.		
2. Figures in Brackets represents outflow.		

For Emkay Taps And Cutting Tools Ltd.

✍ Ajayprakash Kanoria
Chairman & Managing
Director

✍ Alka Kanoria
Whole-time
Director

✍ Vishnu K. Sontakke
Chief Financial
Officer

✍ Shruti Sohane
Company
Secretary

As Per My Report of Even Date Attached

For M/s Vijay Agrawal & Company
FRN 138350W

✍ Vijay Agrawal
Partner
Membership No. 031863

Date : 30/05/2016
Place : Nagpur

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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



depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

3.8 Investment

Current Investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term investments are carried at cost. Provision for diminution in the value of Long Term Investments is made only if, such a decline is other than temporary.

3.9 Inventory

The inventories, i.e. Raw Materials, Stores and spares, Finished Goods etc. have been value at lower of cost or net realisable value. Cost of Inventories comprises of all costs of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. The cost of raw Material and Stores & Spares is determined at Weighted Average Cost basis. By-products are valued at Net Realisable value. The cost of work in progress and finished stock is determined on the absorption costing method. The value of Finished Goods includes Excise Duty wherever applicable.

3.10 Employee Benefits

The Company makes contribution towards Provident Fund and ESIC to a defined contribution retirement benefit plan for qualifying employees. The provident plan is operated is operated partly by Regional Provident Fund Commissioners and partly by an independent Trust, ESIC by Government agencies. Under the said schemes the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit schemes to the fund benefits.

Short Term Employee Benefits are recognized as an expense in the year in which the related service is rendered at the undiscounted amount in the statement of Profit and Loss.

During the year, the company has recognised Rs. 10,95,153/- for Provident Fund contribution, Rs. 1,99,618/- for ESIC. The Contributions payable to these plans by the Company are at the rates specified in the rules of the Schemes.

3.11 Cash Flow Statements :

The Cash Flow Statement of the Company has been prepared as per Accounting Standard - 3: "Statement of Cash Flow" as prescribed by the Institute of Chartered Accountants of India using the Indirect Method.

3.12 Impairment of assets

An impairment loss is recognized wherever the carrying amount of fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.

3.13 Segment Reporting

The segment reporting of the Company as prepared in the Notes to Accounts of the Company has been prepared in accordance with the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. For the purpose of Reporting the Company has Three (3) segments as mentioned below which are considered as primary segments based on Business undertaken by the Company.

Segment A : Manufacturing of Taps & Cutting Tools

Segment B : Production of Power through Windmill

Segment C : Share Trading and Other Sources of Revenues

3.14 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. The Accounting Standard - 29 issued has been duly followed while preparing the Balance Sheet for the period ending on 30th September 2015.

**NOTE FORMING PART OF BALANCE SHEET AS ON 31ST MARCH 2016**

(Amount in ₹)

PARTICULARS	Figures as at the end of 31 st March 2016		Figures as at the end of 31 st March 2015	
Note 4				
SHARE CAPITAL				
Authorised				
20,00,000 Share of Rs. 10/- Each		20,00,000.00		20,00,000.00
Issued and Subscribed				
17,78,550 Shares of Rs. 10/- Each Fully Paid Up		17,785,500.00		17,785,500.00
Paid Up				
17,78,550 Shares of Rs. 10/- Each Fully Paid Up		17,785,500.00		17,785,500.00
TOTAL :		17,785,500.00		17,785,500.00
4.1 Reconciliation of number of shares outstanding at the beginning and at the year of the year				
	Year Ended 31st March 2016		Year Ended 31st March 2015	
	No. of Share	In Rs.	No. of Share	In Rs.
Number of shares at the beginning of the year	1,778,550.00	17,785,500.00	846,120.00	8,461,200.00
Add : Allotted during the year				
On Preferential Basis	-	-	-	-
On Rights Issue	-	-	-	-
On Bonus Issue	-	-	1,067,130.00	10,671,300.00
Less : Buy Back during the year	-	-	134,700.00	1,347,000.00
Number of shares at the end of the year	1,778,550.00	17,785,500.00	1,778,550.00	17,785,500.00
4.2 Terms/Rights attached to equity Shares				
The company has only one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. In an event of liquidation of the company, the equity shareholders will be entitle to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholder.				
4.3 The Company does not have any Holding/Ultime 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 2016		Year Ended 31st March 2015	
	No. of Share	% Holding	No. of Share	% Holding
1. Ajayprakash Kanoria (HUF)	765960	43.07%	998000	56.11%
2. Alka Ajayprakash Kanoria	187365	10.53%	312275	17.56%
3. Nagpur Tools Pvt. Ltd.	256400	14.42%	306400	17.23%
4. Ajayprakash Kanoria	96375	5.42%	160625	9.03%



Particulars		Figures as on the end of 31 st March 2016		Figures as on the end of 31 st March 2015
Note 5				
<u>RESERVE AND SURPLUS :</u>				
Share Premium Account	-			
Balance as per last Balance Sheet	42,040,780.00		66,556,180.00	
Less: Withdrawal During the Year	-	42,040,780.00	24,515,400.00	42,040,780.00
Sicom Capital Incentive Reserve				
Balance as per last Balance Sheet	2,975,000.00		2,975,000.00	
Add : Addition during the year	-	2,975,000.00	-	2,975,000.00
D.C.V.L. Subsidy				
Balance as per last Balance Sheet	970,900.00		970,900.00	
Add : Addition during the year	-	970,900.00	-	970,900.00
J.D.I.N Industrial Promotion Subsidy				
Balance as per last Balance Sheet	6,375,030.00		4,210,030.00	
Add : Addition during the year	2,872,000.00	9,247,030.00	2,165,000.00	6,375,030.00
Profit & Loss Account				
Balance as per last Balance Sheet	510,096,783.76		412,393,945.44	
Add : Profit During the year	140,463,966.40		108,374,138.32	
Less : Bonus Shares Issued During the Year	-	650,560,750.16	10,671,300.00	510,096,783.76
Total :		705,794,460.16		562,458,493.76
Note 6				
<u>LONG TERM BORROWINGS :</u>				
Secured Loans				
Daimler Financial Services (I) Pvt. Ltd. (Secured against Hypothecation of Car and Personal Guarantee of the Directors for its repayment of Rs. 1,11,993.00 monthly)	107,139.63	107,139.63	1,360,311.08	1,360,311.08



Unsecured Loans				
From Banks	-		-	
From Others	140,765.00	140,765.00	127,265.00	127,265.00
Total :		247,904.63		1,487,576.08
Note 7				
DEFERRED TAX LIABILITIES				
Liabilities arising out of Fixed Assets				
Balance as per Last Balance Sheet	22,060,502.00		26,933,147.00	
Asset Created During the Year	2,736,068.00	19,324,434.00	4,872,645.00	22,060,502.00
Total :		19,324,434.00		22,060,502.00
Note 8				
SHORT TERM BORROWINGS :				
Bank of Maharashtra				
Cash Credit Account No. : 20108197609 (Secured Against Hypothecation of Stock)	21,165,267.13		13,578,917.88	
Cash Credit Account No. : 20108198319 (Secured Against Hypothecation of FDR of Rs.21,67,900/- in Bank of Maharashtra)	-		478,202.56	
Daimler Financial Services (I) Pvt. Ltd. (Current Maturity of Long Term Loan due within 12 months)	1,263,381.45	22,428,648.58	1,143,693.26	15,200,813.70
Total :		22,428,648.58		15,200,813.70
Note 9				
TRADE PAYABLES :				
Due to :				
Micro and Small Enterprises	-		-	
Other Payables	15,186,743.57		12,097,891.15	
Related Party	3,169,541.00	18,356,284.57	11,481,919.00	23,579,810.15
Total :		18,356,284.57		23,579,810.15
Note: There are no Micro, Small & Medium Enterprises to whom company owes due during the period under reporting, which are due for more than 45 days as on 31st march 2016. The information required to be disclosed under the Micro, Small & Medium Enterprises Development 2006, have been determined to the extent such parties have been identified and information available with the management.				



Note 10				
<u>OTHER CURRENT LIABILITIES :</u>				
Deposits & Advances Received	266,850.72		303,312.42	
Liability For Expenses	13,431,446.09		13,534,636.30	
Statutory Liabilities	5,249,702.27		3,500,172.27	
Other Credit Balances	2,467,102.75	21,415,101.83	2,467,102.75	19,805,223.74
Total :		21,415,101.83		19,805,223.74
Note 11				
<u>SHORT TERM PROVISIONS :</u>				
For Employee Benefits	1,131,179.00		1,062,594.00	
For Others	815,149.00	1,946,328.00	5,383,099.00	6,445,693.00
Total :		1,946,328.00		6,445,693.00
Note 13				
<u>NON-CURRENT INVESTMENTS :</u>				
a) In Mutual Funds	98,218,691.35		59,381,436.54	
b) In Quoted Equity Shares	261,530,046.75		240,681,283.34	
c) In Unquoted Equity Shares	979,205.00		979,205.00	
d) In Fixed Deposit Receipts	2,786,751.00	363,514,694.10	5,036,751.00	306,078,675.88
Total :		363,514,694.10		306,078,675.88
Note: No diminution in value if any, has been ascertained in case of Mutual Funds/Quoted Equity Shares/Unquoted Equity Shares held by the Company and have been recorded in the books at the Cost of Purchase by the Management.				
Note - 14				
<u>LONG TERM LOANS AND ADVANCES</u>				
<u>(Advances recoverable in cash or in kind or for value to be received)</u>				
a) Capital Advances (Unsecured and considered good)	13,900.00		13,900.00	
b) Security Deposits	2,760,573.00		1,118,504.00	
c) Other Loans & Advances	-	2,774,473.00	-	1,132,404.00
TOTAL :		2,774,473.00		1,132,404.00



Note No : 12. FIXED ASSETS (TANGIBLE)

PARTICULARS	RATE OF DEP.	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		BALANCE AS ON 01-04-2015	ADDITION DURING THE YEAR	SALE/TRANSFER DURING THE YEAR	BALANCE AS ON 31-03-2016	BALANCE AS ON 01-04-2015	DEPRECIATION DURING THE YEAR	DEPRECIATION REVERSED	BALANCE AS ON 31-03-2016	BALANCE AS ON 31-03-2016	BALANCE AS ON 31-03-2015
Land No. 1	0.00%	1,350,000.00	-	-	1,350,000.00	-	-	-	-	1,350,000.00	1,350,000.00
Land No. 2	0.00%	-	766,710.00	-	766,710.00	-	-	-	-	766,710.00	766,710.00
Building No. 1	9.50%	9,954,445.09	-	-	9,954,445.09	6,981,523.44	282,427.56	-	7,263,951.00	2,690,494.09	2,972,921.65
Building No. 2	9.50%	4,600,257.56	-	766,710.00	3,833,547.56	2,400,943.31	191,541.51	417,927.62	2,174,557.20	1,658,990.36	2,199,314.25
Furniture & Fixture	25.89%	1,650,645.00	16,377.50	-	1,667,022.50	1,514,602.83	20,408.02	-	1,535,010.85	132,011.65	136,042.17
Mobile Phone	63.16%	430,755.93	4,898.50	-	435,654.43	341,670.22	47,088.39	-	388,738.61	46,895.82	89,085.71
Office Equipments	45.07%	1,775,723.27	58,918.20	-	1,834,641.47	1,316,795.89	202,094.63	-	1,518,890.52	315,750.95	458,927.38
Plant & Machinery	18.10%	134,497,371.57	44,763,116.00	-	179,260,487.57	80,818,187.57	10,349,179.06	-	91,167,366.63	88,093,120.94	53,679,184.00
Generator	18.10%	897,150.00	-	-	897,150.00	844,433.30	3,866.01	-	848,299.31	48,850.69	52,716.70
Compressors	18.10%	1,270,584.41	-	-	1,270,584.41	798,356.39	83,011.31	-	881,367.70	389,216.71	472,228.02
Transformers	18.10%	51,000.00	-	-	51,000.00	48,450.00	-	-	48,450.00	2,550.00	2,550.00
Transport Trolleys	18.10%	-	61,830.00	-	61,830.00	-	1,284.24	-	1,284.24	60,545.76	-
Air Conditioners	18.10%	1,551,509.05	21,916.03	-	1,573,425.08	1,072,690.27	86,725.50	-	1,159,415.77	414,009.31	478,818.78
Computers	63.16%	3,834,734.21	435,323.70	-	4,270,057.91	3,283,353.73	469,949.68	-	3,753,303.41	516,754.50	551,380.48
Computer Software	63.16%	590,000.00	-	-	590,000.00	560,500.00	-	-	560,500.00	29,500.00	29,500.00
Inspection Equipments	18.10%	2,594,779.19	688,286.05	-	3,283,065.24	1,133,103.71	354,713.11	-	1,487,816.82	1,795,248.42	1,461,675.48



Electricals Installations	25.89%	1,540,286.97	-	-	1,540,286.97	1,406,702.56	18,272.24	-	1,424,974.80	115,312.17	133,584.41
Fax Machine	18.10%	108,046.00	-	-	108,046.00	100,868.03	793.92	-	101,661.95	6,384.05	7,177.97
Pollution Control Equipment	18.10%	853,106.34	-	-	853,106.34	690,601.80	29,413.32	-	720,015.12	133,091.22	162,504.54
Motor Car	31.23%	9,167,982.00	-	-	9,167,982.00	4,248,883.81	1,511,237.89	-	5,760,121.70	3,407,860.30	4,919,098.19
Motor Cycle	25.89%	139,405.00	-	-	139,405.00	72,882.87	17,222.58	-	90,105.45	49,299.55	66,522.13
TOTAL (A) :		176,857,781.59	46,817,375.98	766,710.00	222,908,447.57	107,634,549.73	13,669,228.97	417,927.62	120,885,851.08	102,022,596.49	69,223,231.86

WIND MILL DIVISION

Wind Mill [Mysore]	12.73%	61,290,546.00	-	-	61,290,546.00	37,686,039.56	3,004,853.67	-	40,690,893.23	20,599,652.77	23,604,506.44
Wind Mill 2 [Rajasthan]	12.73%	82,800,000.00	-	-	82,800,000.00	40,900,993.75	5,333,743.50	-	46,234,737.25	36,565,262.75	41,899,006.25
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	78,587,033.31	8,338,597.17	-	86,925,630.48	61,864,915.52	70,203,512.69
TOTAL (A+B) :		325,648,327.59	46,817,375.98	766,710.00	371,698,993.57	186,221,583.04	22,007,826.14	417,927.62	207,811,481.56	163,887,512.01	1,39,426,744.55
PREVIOUS YEAR :		316,577,435.05	10,161,219.47	1,089,926.93	325,648,327.59	160,887,255.21	26,564,637.62	1,030,409.79	186,221,583.04	139,426,744.55	155,689,679.84



Note - 15				
<u>OTHER NON CURRENT ASSETS</u>				
<i>(Miscellaneous Expenses to the extent not written off)</i>				
a) Listing Expenses		2,604,198.00		-
TOTAL :		2,604,198.00		-
Note - 16				
<u>INVENTORIES :</u>				
<i>(Valued at Lower of Cost or Realisable Value as Certified by the Management)</i>				
Raw Material	54,270,744.75		21,858,618.69	
Consumable Stores	3,620,391.89		4,175,803.57	
Work In Progress	6,207,180.47		5,919,581.88	
Finished Goods	59,645,149.50		63,759,101.17	
Scrap Material (At Estimated Realisable Value)	686,280.00	124,429,746.61	347,410.00	96,060,515.31
TOTAL :		124,429,746.61		96,060,515.31
Note 17				
<u>TRADE RECEIVABLES :</u>				
Outstanding for more than 6 months	-			
a) Secured & Considered Good	-		-	
b) Unsecured & Considered Good	7,509,737.35		1,120,665.61	
c) Considered Doubtful	-	7,509,737.35	-	1,120,665.61
Others				
a) Secured & Considered Good	-		-	
b) Unsecured & Considered Good	102,795,305.47		94,348,584.84	
c) Considered Doubtful	-	102,795,305.47	-	94,348,584.84
TOTAL :		110,305,042.82		95,469,250.45



Note 18				
<u>CASH AND CASH EQUIVALENTS:</u>				
Cash in Hand (As certified by the Management)	97,274.92		86,875.92	
Balances with Bank	16,427,250.29	16,524,525.21	18,540,189.05	18,627,064.97
TOTAL :		16,524,525.21		18,627,064.97
Note 19				
<u>SHORT TERM LOANS AND ADVANCES :</u>				
Advances with the Suppliers	10,887,371.53		4,339,639.29	
Loans & Advances to Staff	472,189.00		467,217.00	
Other Advances	1,021,347.53	12,380,908.06	468,339.18	5,275,195.47
TOTAL :		12,380,908.06		5,275,195.47
Note 20				
<u>OTHER CURRENT ASSETS :</u>				
Advances with Revenue Authorities	10,507,176.96		5,671,861.62	
Other Debit Balances	370,385.00	10,877,561.96	1,081,900.18	6,753,761.80
TOTAL :		10,877,561.96		6,753,761.80
Note 21				
<u>REVENUE FROM OPERATIONS :</u>				
1. Domestic Sale				
Sale of Taps & Tools	456,070,940.11		398,355,610.61	
Less : Excise & Education Cess	45,807,663.00		39,623,273.00	
: VAT Receipts	20,101,285.00		18,422,353.00	
: CST Receipts	5,318,753.00		4,505,239.00	
: Discount & Rate Difference	6,299,724.63		5,965,746.39	
: Sales Return	1,593,033.93	376,950,480.55	2,258,626.01	327,580,373.21

**EMKAY TOOLS***Emkay Taps And Cutting Tools Limited***Annual Report
2015-16**

2. Export Sale				
Sale of Taps & Tools		27,912,900.00		24,849,064.04
3. D.E.P.B License Sale				
License Sales	568,968.00		1,813,785.00	
Less : VAT Receipts	27,094.00	541,874.00	86,371.00	1,727,414.00
4. Scrap Sale				
Scrap Sale	1,088,896.31		11,059,288.99	
Less : Excise, Education Cess, VAT, CST & TCS	152,073.31	936,823.00	1,508,215.99	9,551,073.00
5. Scrap Sale (Miscellaneous)	74,025.00		64,649.00	
Less : VAT & TCS	8,825.00	65,200.00	3,688.00	60,961.00
6. Power Generation Unit Sale				
Power Generation Unit Sale	13,558,420.00		13,986,492.00	
Less : Discount	102,332.00	13,456,088.00	111,832.00	13,874,660.00
7. Job Work Receipts		-		16,800.00
TOTAL :		419,863,365.55		377,660,345.25
Note 22				
OTHER INCOME :				
Dividend Received		5,335,222.16		3,552,719.45
Duty Draw Back Receipts		19,834.00		18,427.00
Exchange Rate Fluctuation		1,248,187.79		1,101,902.14
F.D.R. Interest Received		769,040.01		550,105.08
Interest Received		75,912.00		78,736.06
Profit on Sale of Motor Car		-		42,200.96
Sales Tax Refund				-
Short Term Capital Gain	3,383,783.73		13,862,504.59	
Less : Short Term Capital Loss	114,357.66	3,269,426.07	3,043,659.19	10,818,845.40



Long Term Capital Gain	32,346,183.73		12,153,134.97	
Less : Long Term Capital Loss	34,712,747.14	(2,366,563.41)	4,584,004.19	7,569,130.78
Short Term Gain on Mutual Fund	30,296.57		-	
Less : Short Term Loss on Mutual Fund	11,473.37	18,823.20	-	-
Long Term Gain on Mutual Fund	38,326,743.73		953112.08	
Less : Long Term Loss on Mutual Fund	-	38,326,743.73	24,091.61	929,020.47
TOTAL :		46,696,625.55		24,661,087.34
Note 23				
<u>CHANGES IN INVENTORY :</u>				
1. Finished Goods :				
Opening stock	63,759,101.17		51,157,956.24	
Less : Closing stock	59,645,149.50	4,113,951.67	63,759,101.17	(12,601,144.93)
2. Work-In-Progress :				
Opening stock	5,919,581.88		5,599,050.39	
Less : Closing stock	6,207,180.47	(287,598.59)	5,919,581.88	(320,531.49)
3. Scrap Material :				
Opening stock	347,410.00		595,700.00	
Less : Closing stock	686,280.00	(338,870.00)	347,410.00	248,290.00
TOTAL :		3,487,483.08		(12,673,386.42)
Note 24				
<u>COST OF RAW MATERIAL CONSUMED :</u>				
Opening Stock	21,858,618.69		21,072,222.66	
Add : Purchase of Raw Material	97,652,756.33		58,880,255.91	
Less : Closing Stock of Raw Material	54,270,744.75	65,240,630.27	21,858,618.69	58,093,859.88
TOTAL :		65,240,630.27		58,093,859.88



Note 25				
<u>COST OF STORES CONSUMED :</u>				
Opening Stock	4,175,803.57		3,155,894.32	
Add : Purchase of Consumable Stores	13,784,987.18		12,906,283.02	
Less : Closing stock of Consumable Stores	3,620,391.89	14,340,398.86	4,175,803.57	11,886,373.77
TOTAL :		14,340,398.86		11,886,373.77
Note 26				
<u>COST OF PACKING MATERIAL CONSUMED :</u>				
Purchases		2,615,625.78		2,141,176.57
TOTAL :		2,615,625.78		2,141,176.57
Note 27				
<u>MANUFACTURING EXPENSES :</u>				
Building Repairs		2,205,008.34		943,003.15
Electricity Charges		9,135,958.00		7,654,423.84
Freight & Octroi		598,470.00		593,075.39
Job Work Expenses		83,411,633.05		74,346,687.61
Repairs and Maintenance		10,198,406.16		11,651,848.75
Testing Expenses		48,375.00		29,640.00
Water Charges		201,812.00		223,253.00
TOTAL :		105,799,662.55		95,441,931.74
Note 28				
<u>WINDMILL EXPENSES :</u>				
Electrical Inspection Charges		14,661.00		14,727.00
Insurance (Wind Mill)		131,904.00		124,896.00
Repairs & Maintenance		3,842,857.00		2,436,631.00
TOTAL :		3,989,422.00		2,576,254.00



Note 29				
<u>SHARES EXPENSES :</u>				
Security Transaction Tax		215,765.50		299,774.58
Service Tax on Shares		76,417.67		75,563.63
Stamping Charges		21,421.69		29,971.86
Stock Holding Expenses		54,450.71		80,862.15
Transaction Charges		6,852.40		9,672.40
Share Expenses		1,381.91		1,522.29
SEBI Tax		370.95		476.77
TOTAL :		376,660.83		497,843.68
Note 30				
<u>EMPLOYEE BENEFIT EXPENSES</u>				
:				
Bonus		794,935.00		779,067.00
E. S. I. C.		199,618.00		242,972.00
Exgratia		1,352,700.00		1,112,421.00
Gratuity		486,237.00		776,029.00
Incentive A/c.		3,334,555.00		2,955,744.00
Labour Welfare		600,914.80		539,377.49
Leave with Wages		278,278.00		283,651.00
Medical Expenses		29,856.00		20,804.00
Provident Fund		1,095,153.00		926,286.00
Salary and Wages		15,811,434.00		14,297,737.00
Salary To Director		4,800,000.00		5,160,000.00
TOTAL :		28,783,680.80		27,094,088.49
Note 31				
<u>ADMINISTRATION EXPENSES :</u>				
Profession Tax	5,000.00		5,000.00	
Bank Charges	920,098.50		597,365.22	
Books and Periodicals	15,290.00		7,858.00	



Car Expenses	312,150.77		177,160.00	
Computer Software Expenses	365,800.00		168,300.00	
Conveyance Expenses	1,051,018.00		999,036.00	
Director Travelling Expenses	1,478,076.08		1,438,628.33	
Donation	5,351.00		2,000.00	
Insurance	535,754.00		382,694.00	
Interest on Service Tax & TDS	52,754.00		-	
License Fees	74,000.00		42,000.00	
Membership Fees and Subscription	168,057.00		112,318.00	
Office Expenses	376,500.37		322,900.90	
Postage & Telegram Expenses	107,840.00		79,164.00	
Printing and Stationery	432,403.02		314,447.15	
Rent, Rates and Taxes	258,160.00		199,659.00	
Security Service Charges	290,069.00		185,900.00	
Sundry Balances W/Off	252,321.27		242,429.99	
Swachh Bharat Cess	77,188.39		-	
Telephone Expenses	891,115.10		650,624.26	
Traveling Expenses	1,413,878.00		1,763,218.00	
Fixed Asset Written Off	-		21,718.10	
VAT/CST Expenses	-	9,082,824.50	264,232.23	7,976,653.18
Payment to Directors				
- For Remuneration	9,551,156.00		8,205,880.00	
- For Sitting Fees	45,000.00	9,596,156.00	-	8,205,880.00
Payment to Auditors				
- For Audit	74,100.00		65,000.00	
- For Taxation	-		-	
- For Consultancy & Others	-	74,100.00	-	65,000.00
TOTAL :		18,753,080.50		16,247,533.18



Note 32 <u>SELLING AND DISTRIBUTION EXPENSES :</u>			
Advertisement	985,135.30	1,814,451.95	
Carriage Outward	4,250,331.50	3,656,380.60	
Commission on Sales	1,954,843.00	1,902,281.00	
Entertainment Expenses	15,836.00	37,574.00	
Hospitality Expenses	9,390.13	43,352.00	
Sales Promotion	101,372.94	75,915.77	
Sales Conference Expenses	-	969,271.10	
Sales Promotion & Consultancy Charges	625,516.00	478,714.00	
TOTAL :	7,942,424.87	8,977,940.42	
Note 33 <u>OTHER EXPENSES :</u>			
Cost Audit Fees	-	40,000.00	
Consultancy Fees	160,150.00	91,500.00	
Legal and Professional Expenses	572,770.90	517,594.00	
Vat Audit Fees	40,000.00	32,500.00	
TOTAL :	772,920.90	681,594.00	
Note 34 <u>FINANCE COST :</u>			
Bank Interest	978,712.00	516,475.00	
Interest on Car Loan	200,222.74	250,067.34	
Interest	15,000.00	107,458.00	
TOTAL :	1,193,934.74	874,000.34	

**EMKAY TOOLS**

Emkay Taps And Cutting Tools Limited

**Annual Report
2015-16**

Note 35 <u>DEPRECIATION & AMORTISATION EXPENSES :</u>			
Depreciation for the Year	22,007,826.14		26,364,637.62
Less:- Depreciation reverse	417,927.62	21,589,898.52	
1/5th Listing Expenses written off		651,049.00	
TOTAL :		22,240,947.52	26,364,637.62
Note 36 <u>INCOME TAX EXPENSES :</u>			
Current Year Income Tax Provision		53,070,000.00	55,000,000.00
Add : Tax for Distributed Profit : Short Provision of Income Tax of Earlier Year		225,220.00	501,272.00
Less : Excess provision of income Tax Earlier Year		-	-
TOTAL :		53,295,220.00	60,616,092.00
Note 37 <u>EARNING PER SHARE</u>			
(A) Profit for the Year		140,463,966.40	108,374,138.32
(B) Weighted Average Number of Shares		1778550	1844608.36
Basic Earning Per Share		78.98	58.75
Diluted Earning per Share		78.98	58.75

For Emkay Taps And Cutting Tools Ltd.

✍ Ajayprakash Kanoria
Chairman & Managing
Director

✍ Alka Kanoria
Whole-time
Director

✍ Vishnu K. Sontakke
Chief Financial
Officer

✍ Shruti Sohane
Company
Secretary

Place : Nagpur
Date : 30/05/2016

As Per My Report of Even Date Attached

For M/s Vijay Agrawal & Company
FRN 138350W

✍ Vijay Agrawal
Partner
Membership No. 031863



**Note 38
SEGMENT REPORTING**

Particulars	31-Mar-16				31-Mar-15			
	Tools	Power	Others	Total	Tools	Power	Others	Total
	Revenues							
Sales to External Customers	404,863,380.00	13,456,088.00	48,240,523.00	466,559,991.00	352,429,437.00	13,874,660.00	36,017,335.00	402,321,432.00
Total Segmental Revenues	404,863,380.00	13,456,088.00	48,240,523.00	466,559,991.00	352,429,437.00	13,874,660.00	36,017,335.00	402,321,432.00
Segmental Result								
Profit before Interest (net of allocated corporate expenses)	146,359,614.00	1,128,069.00	44,729,370.00	192,217,053.00	119,618,125.00	11,298,406.00	34,075,054.00	164,991,585.00
Less: unallocated corporate expenses (Net of Other Income)								
Operating Profit	146,359,614.00	1,128,069.00	44,729,370.00	192,217,053.00	119,618,125.00	11,298,406.00	34,075,054.00	164,991,585.00
Interest (net of income)	1,193,935.00	-	-	1,193,935.00	874,000.00	-	-	874,000.00
Profit before Tax	145,165,679.00	1,128,069.00	44,729,370.00	191,023,118.00	118,744,125.00	11,298,406.00	34,075,054.00	164,117,585.00
Provision for Tax								
- Current Tax				53,295,220.00				60,616,092.00
- Deferred Tax				(2,736,068.00)				(4,872,645.00)
Profit from Ordinary Activities	145,165,679.00	1,128,069.00	44,729,370.00	140,463,966.00	118,744,125.00	11,298,406.00	34,075,054.00	108,374,138.00
Extraordinary Items								
Net Profit	145,165,679.00	1,128,069.00	44,729,370.00	140,463,966.00	118,744,125.00	11,298,406.00	34,075,054.00	108,374,138.00



Particulars	31-Mar-16			31-Mar-15			Total
	Tools	Power	Others	Tools	Power	Others	
Other Information							
Segmental Assets	358,007,439.00	67,747,298.00	434,645,856.00	279,759,899.00	72,628,212.00	366,840,241.00	719,228,352.00
Unallocated Corporate Assets							
Total Assets	358,007,439.00	67,747,298.00	434,645,856.00	279,759,899.00	72,628,212.00	366,840,241.00	719,228,352.00
Segmental Liabilities	63,365,798.00	1,001,003.00	59,397.00	67,501,531.00	74,904.00	(3,652,578.76)	61,923,856.24
Unallocated Corporate Liabilities							
Total Liabilities	63,365,798.00	1,001,003.00	59,397.00	67,501,531.00	74,904.00	(3,652,578.76)	61,923,856.24
Capital Expenditure during the year (Including Movement in CWIP)	46,817,376.00			10,161,219.00			10,161,219.00
Depreciation & Amortisation Exps.	13,251,302.00	8,338,597.00	651,049.00	26,776,047.00	(411,409.00)		26,364,638.00

Notes :

- The above Financials results have been arrived at after going through the Balance Sheet and Profit & Loss Account for the Company for the Period ending on 31st March 2016
- This segment report of M/s Emkay Taps & Cutting Tools Ltd. is prepared in accordance to the Accounting Standard 17 - "Segment Reporting"
- For the purpose of this reporting, Business Segment are considered as primary segments. Since the Company is operating from single location. There are no Geographical segments for the company. However, based on Business Line, there are 2 segments, viz., Manufacturing of Tools and Generation of Power.
Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period the change occurs. Segment information prior to the change in terms is not restated. These transactions have been eliminated on consolidation.
The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial instruments, deferred tax assets and income tax recoverable.
- Segment Liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial instruments.
- Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

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

Particulars	As on March 31st, 2016	As on March 31st, 2015
Salary Allowances & Others	27,002,673	25,148,801
Defined contribution plan	1,294,771	1,169,258
Defined benefit plan/other long term benefits	486,237	776,029
Share based compensation	-	-
Total	28,783,681	27,094,088

Note 40**INCOME TAXES**

The major components of the Income Tax Expenses are Follows :

Particulars	As on March 31st, 2016	As on March 31st, 2015
Current Income Tax		
in India	53,070,000	60,114,820
Overseas	-	-
Deferred Tax		
Relating to origination and reversal of temporary differences	(2,736,068)	(4,872,645)
Relating to changes in tax rates	-	-
Tax expense attributable to current year's profit (A) :-	50,333,932	55,242,175
Adjustments in respect of income tax of previous year :		
Current Income tax		
in India	225,220	501,272
Overseas	-	-
Total (B) :-	225,220	501,272
Total (A+B) :-	50,559,152	55,743,447

The company during the Period has earned a profit of Rs. 19, 10, 23,118.40. A provision of Rs. 5, 30, 70,000.00 for Income Tax as required by Income Tax Act, 1961 has been made in the Books of Account.

Note 41**CURRENT ASSETS, LOANS AND ADVANCES**

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

**Note 42****RELATED PARTY TRANSACTIONS**

Related Party transactions represent transactions entered into by the Group with entities having significant influence over the Group ('significant influence entities'), associates, joint ventures and other related parties.

The transactions and balances with the related parties for the year ended March 31st, 2016 and March 31st, 2015, respectively are described below :

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

Mr. Ajayprakash Kanoria
Mrs. Alka Kanoria

B. Relatives of Key Management Persons :

Mrs. Snehalata Kanoria

C. Related Parties

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

Summary of Transactions with Above Parties :

Particulars	Year Ended March 31st, 2016	Year Ended March 31st, 2015
a. Transactions for the period		
Snehalata Kanoria:		
Interest	15,000.00	15,000.00
Nagpur Tools Pvt. Ltd.:		
Job Work Expenses	41,517,458.00	41,815,810.00
Adishree Engineering Pvt. Ltd.:		
Job Work Expenses	5,468,297.00	3,010,214.00

Closing Balance	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Due from		
Adishree Engineering Pvt. Ltd.	503,636.00	657,733.00
Due to:-		
Ajayprakash Kanoria	3,253,446.82	6,682,778.00
Alka Ajayprakash Kanoria	3,243,205.00	75,042.00
Snehalata Kanoria (Loan)	113,500.00	100,000.00
Nagpur Tools Pvt. Ltd.	3,169,541.00	11,481,919.00

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

Remuneration to key management personnel were as follows :

Particulars	Year Ended March 31st, 2016	Year Ended March 31st, 2015
1) Ajayprakash Kanoria		
Salary	3,600,000.00	4,800,000.00
Remuneration	5,730,694.00	8,205,880.00

**EMKAY TOOLS**

Emkay Taps And Cutting Tools Limited

**Annual Report
2015-16**

2) Alka Kanoria		
Salary	1,200,000.00	360,000.00
Remuneration	3,820,462.00	-
Total	14,351,156.00	13,365,880.00

Note 43**CONTINGENCIES**

Particulars	Year Ended March 31st, 2016	Year Ended March 31st, 2015
(i) Taxes, Duties and Other Demands (under adjudication/appeal/dispute)		
Sales Tax (2000-01)	144,790	
Sales Tax (2009-10)	161,009	-
Sales Tax (2011-12)	272,914	
(ii) Claims under legal cases including arbitration matters	-	-
Total	578,713	-

The above mentioned contingent liabilities represent disputes with various government authorities in the respective jurisdiction where the operations are based and it is not possible for the Group to predict the timing of final outcome.

Based on the Company's evaluation, it believes that it is not probable that the claim will materialise for below cases and therefore, no provision has been recognised.

a) Sales and Service Tax :

The claims for Sales Tax as of March 31, 2016 comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislation which was primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts with statutory authorities for certain cases.

Note 44**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

✉ Alka Kanoria
Whole-time
Director

✉ Vishnu K. Sontakke
Chief Financial
Officer

✉ Shruti Sohane
Company
Secretary

As Per My Report of Even Date Attached

For M/s Vijay Agrawal & Company
FRN 138350W

✉ Vijay Agrawal
Partner
Membership No. 031863

Date : 30/05/2016
Place : Nagpur

ATTENDANCE SLIP

EMKAY TAPS AND CUTTING TOOLS LIMITED

CIN: L29220MH1995PLC091091

Address of the registered office and contact details:

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

DPID Client ID: _____

Registered Folio No.: _____

No. of Shares: _____

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

I certify that I am a shareholder / proxy of the shareholder of the Company. I/We hereby record my/our presence at the **21st Annual General Meeting** of the Company being held on Saturday September 10, 2016 at 12:30 p.m. at B-27 7 B-27/1 M.I.D.C. Hingna, Industrial Estate, Nagpur-440016.

Signature of Shareholder/Proxy

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



FORM NO. MGT-11

PROXY FORM

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

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

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

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

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

Signature: _____ or failing him/her

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

Signature: _____ or failing him/her

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

Signature: _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on

my/our behalf at the 21st Annual General Meeting of the Company being held on Saturday September 10, 2016 at 12:30 pm at The Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

- To consider and adopt the Audited financial statements of the Company for the year ended March 31, 2016 which includes the Balance Sheet as at March 31, 2016 Statement of Profit & Loss and Cash Flow Statement including notes thereto together with the Reports of the Board of Directors and Auditors' thereon for the period ended March 31, 2016.
- 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;
- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, and rules made there under, as amended from time to time, and in consideration of the recommendation of the audit committee of the Board of

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.



Directors, the appointment of M/s. Vijay Agarwal & Co., Chartered Accountants, (FRN No. 138350W), who were appointed as Statutory Auditors of the company at the 19th Annual General Meeting held on 30th September, 2014, to hold office from conclusion of 19th AGM until conclusion of 24th AGM be and is hereby ratified and confirmed from the conclusion of 21st AGM till the conclusion of 23rd AGM and that the Board of Directors be and is hereby authorised to fix their remuneration for the Financial Year 2016-17, as may be determined by the audit committee in consultation with Auditors.”

Special Business:

To consider and if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of

Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. P. Ramachandran (holding DIN: 07575222), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from September 3, 2016 and whose office shall not be liable to determination by retirement of directors by rotation.

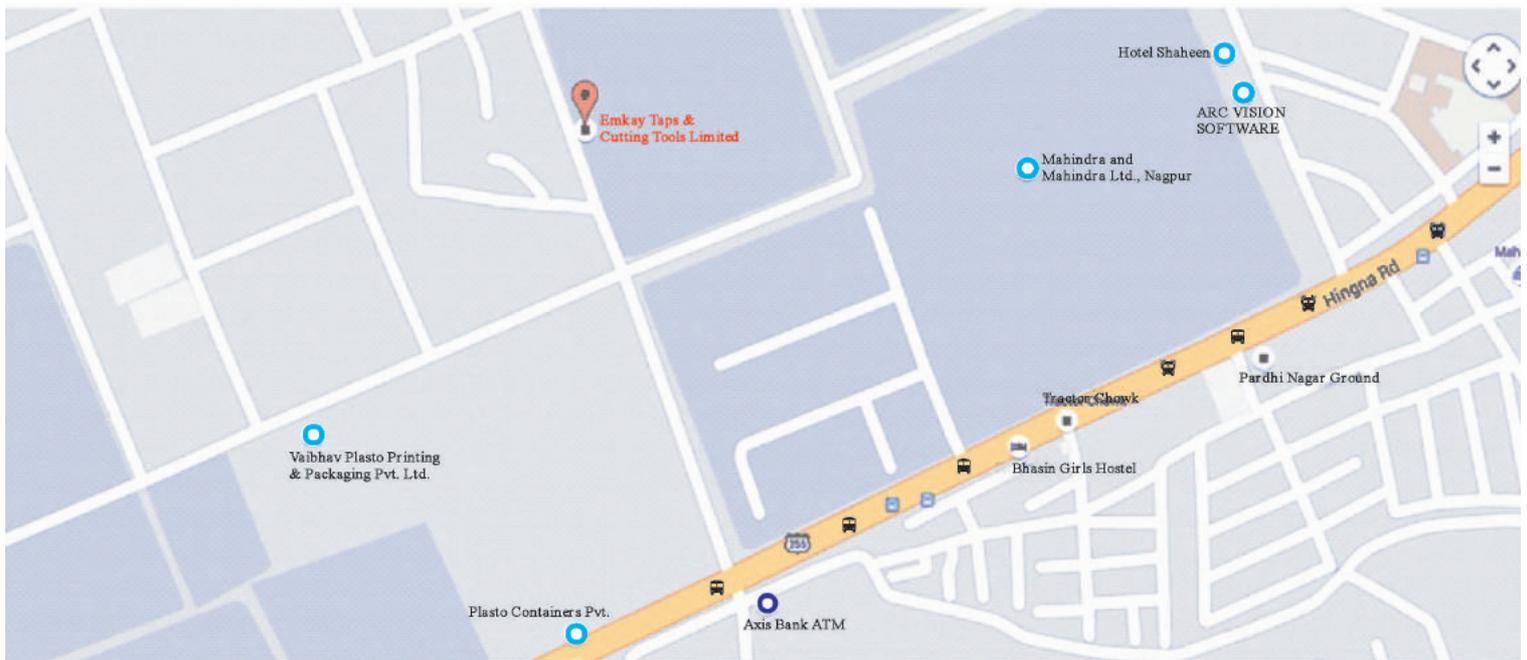
Signed this _____ day of _____ 2016

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

MAP FOR AGM VENUE



Emkay Taps & Cutting Tools Limited



EMKAY TOOLS

:: Factory Premises & Registered Office::

EMKAY TAPS AND CUTTING TOOLS LIMITED

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