



**20th**

# Annual Report

**EMKAY TAPS AND CUTTING  
TOOLS LIMITED**



**2014-15**

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**GREEN ENVIRONMENT INITIATIVE BY THE COMPANY at its registered office premises**



## **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.*

## Corporate Information

### Board of Directors

Mr. Ajayprakash Kanoria  
Mrs. Alka Kanoria  
Mr. Mahesh Mor  
Mr. Rahul Bagdia  
Mr. Ravindra Loiya

Chairman and Managing Director  
Whole Time Director  
Independent Non-Executive Director  
Independent Non- Executive Director  
Independent Non- Executive Director

### Corporate Management

Mr. Ajayprakash Kanoria  
Mrs. Alka Kanoria  
Mr. Vishnu K. Sontakke  
Ms. Shruti Sohane

Chairman and Managing Director  
Whole Time Director  
Chief Financial Officer  
Company Secretary & Compliance Officer

### Statutory Auditor

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

### Factory / Registered Office Premises

B-27/B-27/1, M.I.D.C Hingna, Industrial  
Estate, Nagpur-440016  
Tel.: 07104-237584,  
Fax No. : +91 – 07104 - 232862  
Email: [emkaytools.com](mailto:emkaytools.com)  
Website: [www.emkaytapsandtools.com](http://www.emkaytapsandtools.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](http://www.bigshareonline.com)

### Contact Details for Investors

Compliance Officer  
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](mailto:investors@emkaytapsandtools.com)  
Website: [www.emkaytapsandtools.com](http://www.emkaytapsandtools.com)

### Bankers

Bank of Maharashtra  
ICICI Bank Ltd.  
HDFC Bank Ltd.

### 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 to Members**

Notice is hereby given that 20<sup>th</sup> Annual General Meeting of the Members of Emkay Taps And Cutting Tools Limited will be held on September 29, 2015 Tuesday 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, 2015 which includes the Balance Sheet as at March 31, 2015 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, 2015.
2. To consider re-appointment of Mr. Ajayprakash Kanoria (DIN: 00041279), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment;
3. 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 and other applicable provisions, if any, of the Companies Act, 2013, and rules made there under, the appointment of M/s. Vijay Agarwal & Co., Chartered Accountants, (FRN No. 138350W), who were appointed as Auditors of the company at the 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014, to hold office from conclusion of 19<sup>th</sup> AGM until the conclusion of 24<sup>th</sup> AGM be and is hereby ratified and confirmed from the conclusion of 20<sup>th</sup> AGM till conclusion of 21<sup>st</sup> AGM on such remuneration as may be agreed upon between the Board of Directors in consultation with the Auditors."

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

Date: September 5, 2015

Place: Nagpur

SD/-  
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. Corporate members intended to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members/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.
5. In accordance with the provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain close from September 26 to September 29, 2015 (both days inclusive).
6. 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.
7. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.
8. 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**”

## Annexure I

### Details of Director seeking Re-appointment at the Annual General Meeting

|                       |  |
|-----------------------|--|
| <b>Name</b>           | Ajayprakash Kanoria                    |
| <b>DIN No.</b>        | 00041279                               |
| <b>Date of Birth</b>  | May 13, 1957                           |
| <b>Appointed on</b>   | July 27, 1995*                         |
| <b>Qualifications</b> | Bachelor of Commerce, CA(Intermediate) |

**Brief Profile** Mr. Ajay Kanoria aged about 58 years was born and brought up at Nagpur and he is a commerce graduate and CA Inter by qualification. He is Chairman and managing director in Emkay Taps and Cutting Tools Limited and has an experience of around 35 years. He got his technical experience from his father when he joined his family business. With his strategic planning and strong business development attitude he has contributed a lot towards the growth of company. He functionally handles the overall business affairs of the company. He is very particular about the Quality of product right from beginning which is very well appreciated by all customers.

|   |  |
|---|--|
| <b>Directorship held in other Public (excluding private companies )</b> | None   |
| <b>Membership/ Chairmanship Of Committees in other Companies</b>        | None   |
| <b>No of Shares held in the Company ( as on date )</b>                  | 96,375   |
| <b>Relationship with other directors</b>                                | Husband of Alka Kanoria, Whole-time Director of the Company. |

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

## Director's Report

**Dear Shareholders,**

Your Directors have great pleasure in presenting the 20<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Balance Sheet and Profit & Loss Accounts for the year ended on March 31, 2015.

➤ **Financial highlights:**

| Particulars  | ( Rs. in crore) |           |
|--|-----------------|-----------|
|  | F.Y. 2015       | F.Y. 2014 |
| Total Revenues (including Other Income)                        | 40.23           | 30.01     |
| Profit before depreciation, interest and tax                   | 19.14           | 11.58     |
| Less: Interest   | 0.09            | 0.03      |
| Less: Depreciation and amortization expense                    | 2.64            | 2.57      |
| Profit before tax  | 16.41           | 8.98      |
| Net tax expense  | 6.06            | 3.54      |
| Profit for the year  | 10.84           | 5.74      |
| Add: Surplus carry forward from the last year<br>Balance sheet | 41.24           | 35.50     |
| Less: Bonus Shares issued During the year                      | 1.06            | -         |
| Balance carried over to Balance Sheet                          | 51.01           | 41.24     |
| Earnings per equity share(Rs.)                                 | 58.75           | 29.99     |

➤ **Results of operations:**

A detailed analysis of performance for the year has been included in the Management Discussion and Analysis, which forms part of the Annual Report.

➤ **Dividend:**

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and do not recommend any dividend for the year ended March 31, 2015. As always, every management decision remains directed towards creating value for the shareholders in the long term.

➤ **Material changes and commitments:**

- Listing of the Company

Your Company made its landmark move by entering into the capital market on August 13, 2015. The shares of your Company were listed on SME Platform of "NSE EMERGE", by way of offer for sales of 4,71,200 equity shares of face value of Rs. 10.00 each for cash at a price of Rs. 330.00 per equity share (share premium of Rs. 320.00 per equity share).

This Annual Report for the financial year 2014-15 has been prepared in accordance with the applicable disclosure requirements of the Listing Agreement. However, the Provisions of Companies Act, 2013, for listed Company shall be applicable from the financial year 2015-16 onward.

After successful completion of IPO through Offer for sale, we are pleased to present our first Annual Report as the Listed Company.

- Conversion Of The Company From Private To Public

Your company has converted from Private Limited to Public Limited Company vide fresh Certificate of incorporation received from RoC, Maharashtra, Mumbai dated April 24, 2015, with a view to facilitate the listing.

- Increase in Authorized Share Capital

During the year, with a view to increase in capital base of the company, your company has increased its Authorized Share Capital from Rs. 1,00,00,000/- to Rs. 2,00,00,000/- by creating additional 10,00,000 equity shares of Rs. 10/- each on March 13, 2015

- Bonus Issue

Your company has issued 10,67,130 Equity Shares of Rs. 10/- each as Bonus Shares, credited as fully paid-up, to the members holding Equity Shares on March 18, 2015. The Bonus Shares issued in the proportion of 1.5 new Equity Share(s) for every 1 Equity Share held.

- Buy back of shares

During the year under review, your directors in its Board meeting held on August 14, 2014 has approved the scheme of Buy Back of equity shares not exceeding 1,50,000 equity shares on a proportionate basis, at a price of Rs. 192/- per equity shares. Through this scheme Company has purchase the 1, 34,700 shares of the company.

- Adoption of New set of Articles of Association as per provisions of New Companies Act, 2013

To commensurate with the Provisions of the Companies Act, 2013 and in Compliance of the Provisions of Section 14 and other applicable Provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force the Company in its meeting held on April 8, 2015 has adopted new set of Articles of Association which are available at the registered office for inspection during working hours and on working days.

➤ **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 accepted 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 details of the Loans given, guarantees on securities provided and investments made are provided in the notes to the financial statement. (Please refer to Note 39 to the financial statement).

➤ **Corporate Governance**

The Company believes in and practices the highest standards of corporate governance. Pursuant to Clause 52 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance, together with a certificate from M/s. N.R. & Associates, a firm of Company Secretaries in Practice, confirming compliance with conditions of Corporate Governance, forms an integral part of this Report.

➤ **Management Discussion and Analysis [MDA]**

Management Discussion and Analysis, for the year under review, as stipulated under clause 52 of the Listing Agreement, is presented in a separate section forming 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 attention of the members to **Note no. 40** to financial statement which sets out Related Party disclosures.

➤ **Directors and Key Management Personnel**

I. Retirement by rotation:

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

## II. Appointment of Independent Directors:

During the year under review, Mr. Mahesh Mor and Mr. Rahul Bagdia were appointed as Independent and Non-executive Directors of the Company in EGM held on April 08, 2015 and Mr. Ravindra Loiya was appointed as an Independent Non-Executive Director in EGM held on April 24, 2015.

## III. 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].

## IV. Profile of the Directors seeking appointment / reappointment:

As required under clause 52 of the Listing Agreement, particulars of the Directors retiring by rotation and seeking appointment / reappointment at the ensuing Annual General Meeting is annexed to the notice convening 20<sup>th</sup> Annual General Meeting.

## V. Key Managerial Personnel:

The following persons were designated as Key Managerial Personnel:

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

## VI. Board Evaluation:

Pursuant to the provisions of the Act and Rules made thereunder and as provided under Schedule IV of the Act and clause 52 of the Listing Agreement, annual performance evaluation of the Directors individually as well as its committees is required to be carried out. However, as the company got listed on August 13, 2015 the annual performance evaluation will be done in the financial years to come and the evaluation policy shall be uploaded on the company's website, on finalization by the Board.

## VII. Remuneration policy:

The Board has on the recommendations of Nomination and Remuneration Committee, framed a Policy on selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is presented in a separate section forming part of this Annual Report and also uploaded on the website of the Company, for reference visit [www.emkaytapsandtools.com](http://www.emkaytapsandtools.com).

## ➤ 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, 2015, 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 31<sup>st</sup> March, 2015 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 13 (thirteen) 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 constitution 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 19<sup>th</sup> AGM up to the conclusion of 24<sup>th</sup> 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.

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.

However, during the reporting period, the Company was Private Limited Company and thus the provision of Secretarial Audit is not applicable to the Company for Financial year 2014-15.

Since, the Company got listed on NSE SME EMERGE on August 13, 2015, the Provisions of Section 204 of the Companies Act, 2013 and Listing Agreement are made applicable to the Company. Accordingly, the appointment of M/s N. R. & Associates, Company Secretaries has been made by the Board in their meeting held on September 5, 2015 to carry out secretarial audit for the financial year 2015-16.

### ➤ **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 various internal control policies and procedures to ensure orderly and efficient conduct of its business. During the period under review the Internal Financial Control were tested and no reportable material weakness in the design or operation were observed. However, as the Company got listed on August 13, 2015, the appointment of internal auditors is in process.

### ➤ **Vigil Mechanism**

The Company has established vigil mechanism policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy. Vigil Mechanism Policy is disclosed on the website of the Company.

➤ **Extract of Annual Return**

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

➤ **Committees**

Pursuant to the provisions of the Act and Rules made there under and clause 52 of the Listing Agreement, 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. CSR policy adopted by the Company is given in “**Annexure-B**” forms part of this Board Report and has also been uploaded on the website of the Company, for reference visit [www.emkaytapsandtools.com](http://www.emkaytapsandtools.com).

*\*No expenditure is made on CSR. However, company proposes to do the same and is in process to identify the project.*

➤ **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 not required to be given for the reporting period, as the Provision of Section 197(12) are not applicable to the Company in financial year 2014-15.

However, same has been made applicable to the Company pursuant to the Listing on NSE and same shall be complied with in the financial years to come i.e. from 2015-16 onwards.

➤ **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–“C”** 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 Tribunal which would impact the going concern status of the Company and its future operation.

➤ **Acknowledgement:**

Your Directors take this opportunity to place on record the valuable support extended by employees, bankers, Government Agencies & regulators, suppliers & costumers, shareholders, National Stock Exchange & Merchant Bankers for listing and all the business associates.

**For and on behalf of the Board of Directors**

**Place:** Nagpur

**Date:** September 05, 2015

Sd/-

Ajayprakash Kanoria

**Managing Director**

Sd/-

Alka Kanoria

**Whole-time Director**

**Annexures to the Director's Report****"Annexure-A"****FORM NO.MGT-9****EXTRACT OF ANNUAL RETURN  
As on the financial year ended on March 31, 2015**

[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   | U29220MH1995PLC091091   |
| Registration Date   | 27-07-1995  |
| Name of the Company   | <b>Emkay Taps And Cutting Tools Limited*</b>  |
| 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  | The Company got listed on NSE "SME Platform" August 13, 2015  |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | <b>Bigshare Services Private Limited**</b><br>E/23 Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072, Maharashtra<br>Tel. No.: 022-28470652/ 022-40430262/022-40430289<br>Website: www.bigshareonline.com |

\*Pursuant to conversion of the Company w.e.f. April 24, 2015

\*\*RTA was appointed on 14th May, 2015.

**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                          | 357                             | 93.32%                             |

**III. Particulars of Holding, Subsidiary and Associate Companies –**

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

**IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)****i) Category-wise Shareholding**

| Category of Shareholders                                  | No. of Shares held at the beginning of the year<br>(As on April 1, 2014) |                 |                 |                   | No. of shares held at the end of the year<br>(As on March 31, 2015) |                  |                  |                   | % change during the year |
|---|--|-----------------|-----------------|-------------------|---|------------------|------------------|-------------------|--------------------------|
|   | Demat  | Physical        | Total           | % of Total Shares | Demat   | Physical         | Total            | % of Total Shares |                          |
| <b>A. Promoters</b>                                       |  |                 |                 |                   |   |                  |                  |                   |                          |
| <b>(1) Indian</b>   | -  | -               | -               | -                 | -   | -                | -                | -                 | -                        |
| a) Individual/ HUF  | -  | 5,88,460        | 5,88,460        | 69.55             | -   | 14,71,150        | 14,71,150        | 82.72             | 13.17                    |
| b) Central Bank   | -  | -               | -               | -                 | -   | -                | -                | -                 | -                        |
| c) State Govt.(s)   | -  | -               | -               | -                 | -   | -                | -                | -                 | -                        |
| d) Bodies Corporate                                       | -  | 1,22,660        | 1,22,660        | 14.50             | -   | 3,06,650         | 3,06,650         | 17.24             | 2.74                     |
| e) Banks/FI   | -  | -               | -               | -                 | -   | -                | -                | -                 | -                        |
| f) Any other  | -  | -               | -               | -                 | -   | -                | -                | -                 | -                        |
| <b>Sub-total (A) (1)</b>                                  | -  | <b>7,11,120</b> | <b>7,11,120</b> | <b>84.04</b>      | -   | <b>17,77,800</b> | <b>17,77,800</b> | <b>99.96</b>      | <b>15.91</b>             |
| <b>(2) Foreign</b>  | -  | -               | -               | -                 | -   | -                | -                | -                 | -                        |
| a) NRIs Individuals                                       | -  | 1,34,600        | 1,34,600        | 15.91             | -   | -                | -                | -                 | (15.91)                  |
| b) Other Individuals                                      | -  | -               | -               | -                 | -   | -                | -                | -                 | -                        |
| c) Bodies Corp.   | -  | -               | -               | -                 | -   | -                | -                | -                 | -                        |
| d) Banks/FI   | -  | -               | -               | -                 | -   | -                | -                | -                 | -                        |
| e) Any Other  | -  | -               | -               | -                 | -   | -                | -                | -                 | -                        |
| <b>Sub-total (A) (2)</b>                                  | -  | <b>1,34,600</b> | <b>1,34,600</b> | <b>15.91</b>      | -   | -                | -                | -                 | <b>(15.91)</b>           |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | -  | <b>845720</b>   | <b>845720</b>   | <b>99.95</b>      | -   | <b>1777800</b>   | <b>1777800</b>   | <b>99.96</b>      | <b>0.01</b>              |
| <b>B. Public Shareholding</b>                             |  |                 |                 |                   |   |                  |                  |                   |                          |
| <b>1. Institutions</b>                                    | -  | -               | -               | -                 | -   | -                | -                | -                 | -                        |



|  |   |                 |                 |               |   |                  |                  |               |       |
|--|---|-----------------|-----------------|---------------|---|------------------|------------------|---------------|-------|
| a) Mutual Funds  | - | -               | -               | -             | - | -                | -                | -             | -     |
| b) Banks/ FI   | - | -               | -               | -             | - | -                | -                | -             | -     |
| c) Central Govt.   | - | -               | -               | -             | - | -                | -                | -             | -     |
| d) State Govt.(s)  | - | -               | -               | -             | - | -                | -                | -             | -     |
| e) Venture Capital Funds   | - | -               | -               | -             | - | -                | -                | -             | -     |
| f) Insurance Companies   | - | -               | -               | -             | - | -                | -                | -             | -     |
| g) FIIs  | - | -               | -               | -             | - | -                | -                | -             | -     |
| h) Foreign Venture Capital Funds   | - | -               | -               | -             | - | -                | -                | -             | -     |
| i) Others (specify)  | - | -               | -               | -             | - | -                | -                | -             | -     |
| <b>Sub-total (B)(1):-</b>  |   | -               | -               | -             | - | -                | -                | -             | -     |
| <b>Non-Institutions</b>  | - | -               | -               | -             | - | -                | -                | -             | -     |
| a) Bodies Corporate  | - | -               | -               | -             | - | -                | -                | -             | -     |
| i) Indian  | - | -               | -               | -             | - | -                | -                | -             | -     |
| ii) Overseas   | - | -               | -               | -             | - | -                | -                | -             | -     |
| b) Individual Shareholders   | - | -               | -               | -             | - | -                | -                | -             | -     |
| i) Individual Shareholders holding Nominal Share Capital up to Rs. 1,00,000.00       | - | 400             | 400             | 0.05          | - | 750              | 750              | 0.04          | -0.01 |
| i) Individual Shareholders holding Nominal Share Capital in excess of Rs. 1,00,000.0 | - | -               | -               | -             | - | -                | -                | -             | -     |
| c) Others - NRIs   | - | -               | -               | -             | - | -                | -                | -             | -     |
| d) Clearing Member   | - | -               | -               | -             | - | -                | -                | -             | -     |
| <b>Sub-total (B)(2):-</b>  | - | <b>400</b>      | <b>400</b>      | <b>0.05</b>   | - | <b>400</b>       | <b>400</b>       | <b>0.04</b>   | -0.01 |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                                   | - | <b>400</b>      | <b>400</b>      | <b>0.05</b>   | - | <b>400</b>       | <b>400</b>       | <b>0.04</b>   | -0.01 |
| C. Shares held by Custodian for GDRs & ADRs  | - | -               | -               | -             | - | -                | -                | -             | -     |
| <b>Grand Total (A+B+C)</b>   | - | <b>8,46,120</b> | <b>8,46,120</b> | <b>100.00</b> | - | <b>17,78,550</b> | <b>17,78,550</b> | <b>100.00</b> | -     |

\* Percentage Change in shareholding is due to following reason

- Buy Back of 1, 34,700 shares on 27.09.2014

- Bonus issue of shares on 18.3.2015

## ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name                   | No. of Shares held at the beginning of the year (As on April 1, 2014) |                                 | No. of shares held at the end of the year (As on March 31, 2015) |                  |                                 |   | %change in shareholding during the Year |
|---------|--------------------------------------|---|---------------------------------|--|------------------|---------------------------------|---|---|
|         |                                      | No. of Shares   | %of total Shares of the Company | %of Shares Pledged /encumbered to total shares                   | No. of Shares    | %of total Shares of the Company | %of Shares Pledged /encumbered to total |   |
| 1.      | Ajayprakash Kanoria                  | 64,250  | 7.59                            | -  | 1,60,625         | 7.59                            | -                                       | 1.44                                    |
| 2.      | Ajayprakash Kanoria HUF              | 3,99,200  | 47.18                           | -  | 9,98,000         | 47.18                           | -                                       | 8.93                                    |
| 3.      | Alka Kanoria                         | 1,24,910  | 14.76                           | -  | 3,12,275         | 14.76                           | -                                       | 2.80                                    |
| 4.      | Nagpur Tools Private Limited         | 1,22,560  | 14.48                           | -  | 3,06,400         | 14.48                           | -                                       | 2.74                                    |
| 5.      | Adishree Engineering Private Limited | 100   | 0.01                            | -  | 250              | 0.01                            | -                                       | 0.00                                    |
| 6.      | Apoorvashree Kanoria                 | 100   | 0.01                            | -  | 250              | 0.01                            | -                                       | 0.00                                    |
|         | <b>Total</b>                         | <b>7,11,120</b>   | <b>84.04</b>                    | <b>-</b>   | <b>17,77,800</b> | <b>99.96</b>                    | <b>-</b>                                | <b>15.91</b>                            |

Note: # please refer note in IV (i) for Change in Shareholding during the year.

## iii) Change in Promoter's Shareholding:

| Name                    | Shareholding at the beginning of the year (As on 01-04-2014) |                                  | Cumulative Shareholding during the year (01-04-2014 to 31-03-2015) |                                    |             |               |                                  |
|-------------------------|--|----------------------------------|--|------------------------------------|-------------|---------------|----------------------------------|
|                         | No. of Shares  | % of total shares of the company | Date   | Increase/ Decrease in Shareholding | Reason      | No. of Shares | % of total shares of the company |
| Ajayprakash Kanoria     | 64,250   | 7.59                             | 18-03-2015   | 96375                              | Bonus Issue | 1,60,625      | 9.03                             |
| Ajayprakash Kanoria HUF | 3,99,200   | 47.18                            | 18-03-2015   | 598800                             | Bonus Issue | 9,98,000      | 56.11                            |
| Alka Kanoria            | 1,24,910   | 14.76                            | 18-03-2015   | 187365                             | Bonus Issue | 3,12,275      | 17.56                            |

|                                      |          |       |            |        |             |          |       |
|--------------------------------------|----------|-------|------------|--------|-------------|----------|-------|
| Nagpur Tools Private Limited         | 1,22,560 | 14.48 | 18-03-2015 | 183840 | Bonus Issue | 3,06,400 | 17.23 |
| Adishree Engineering Private Limited | 100      | 0.01  | 18-03-2015 | 150    | Bonus Issue | 250      | 0.01  |
| Apoorvashree Kanoria                 | 100      | 0.01  | 18-03-2015 | 150    | Bonus Issue | 250      | 0.01  |

*\*\* Please refer note in Attachment C for Change in Shareholding during the year.*

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

| Sr. No. | Name                       | Shareholding at the beginning of the year (As on 01-04-2014) |                                  | Date       | Increase/Decrease in Shareholding | Reason      | Cumulative Shareholding during the year (01-04-2014 to 31-03-2015) |                                  |
|---------|----------------------------|--|----------------------------------|------------|-----------------------------------|-------------|--|----------------------------------|
|         |                            | No. of Shares  | % of total shares of the company |            |                                   |             | No. of Shares  | % of total shares of the company |
| 1.      | Rahim Mansoor Khan         | 200  | 0.02                             | 18-03-2015 | 300                               | Bonus Issue | 500  | 0.03                             |
| 2.      | Ramkhilawan Ramanand Gupta | 100  | 0.01                             | 18-03-2015 | 150                               | Bonus Issue | 250  | 0.01                             |

*\*\* Please refer note in Attachment C for Change in Shareholding during the year*

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

| Sr. No    | Name                | Shareholding  |                                  | Date       | Increase /Decrease in shareholding | Reason      | Cumulative Shareholding during the year (01-04-14 to 31-03-15) |                                  |
|-----------|---------------------|---|----------------------------------|------------|------------------------------------|-------------|--|----------------------------------|
|           |                     | No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15) | % of total shares of the Company |            |                                    |             | No. of Shares  | % of total shares of the Company |
| <b>A.</b> | <b>DIRECTORS:</b>   |   |                                  |            |                                    |             |  |                                  |
| 1.        | Ajayprakash Kanoria | 64,250  | 7.59                             | 18-03-2015 | 96,375                             | Bonus Issue | 1,60,625   | 9.03                             |
| 2.        | Alka Kanoria        | 1,24,910  | 14.76                            | 18-03-2015 | 1,87,365                           | Bonus Issue | 3,12,275   | 17.56                            |

**V. Indebtedness**

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

(Amount in Rs.)

| Particulars   | Amount<br>(Rs. In crore)            |                    |          |                    |
|---|-------------------------------------|--------------------|----------|--------------------|
|   | Secured loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total Indebtedness |
| <b>Indebtedness at the beginning of the financial year (01.04.2014)</b> |                                     |                    |          |                    |
| i) Principal Amount   | 1.81                                | 0.04               | -        | 1.85               |
| ii) Interest due but not paid   | 0                                   | 0                  | 0        | 0                  |
| iii) Interest accrued but not due                                       | 0                                   | 0                  | 0        | 0                  |
| <b>TOTAL (i +ii + iii)</b>  | 1.81                                | 0.04               | -        | 1.85               |
| <b>Change in Indebtedness during the financial year</b>                 |                                     |                    |          |                    |
| Addition  | 0.35                                | 0                  | 0        | 0.35               |
| Reduction   | 0.50                                | 0.03               | 0        | 0.53               |
| Exchange Difference   | 0                                   | 0                  | 0        | 0                  |
| Net Change  | 0                                   | 0                  | 0        | 0                  |
| <b>Indebtedness at the end of the financial year (31.03.2015)</b>       |                                     |                    |          |                    |
| i) Principal Amount   | 1.66                                | 0.01               | -        | 1.67               |
| ii) Interest due but not paid   | 0                                   | 0                  | 0        | 0                  |
| iii) Interest accrued but not due                                       | 0                                   | 0                  | 0        | -                  |
| <b>TOTAL (i +ii+iii)</b>  | 1.66                                | 0.01               | -        | 1.67               |

**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.      | <u>Gross Salary</u>   |                        |              |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 4,800,000              | 360,000      | 5,160,000    |
|         | (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:<br>% of Net Profit | 8,205,880         | -               | 8,205,880         |
|    | <b>TOTAL (A)</b>           | <b>13,005,880</b> | <b>3,60,000</b> | <b>13,365,880</b> |

**B. Remuneration to other directors: NIL**

| Sr. No. | Particulars of Remuneration                  | Name of Directors |   |   |   |   | Total Amount (Rs.) |
|---------|--|-------------------|---|---|---|---|--------------------|
| 1.      | Independent Directors                        |                   |   |   |   |   |                    |
|         | Fee for attending board / committee meetings | -                 | - | - | - | - | -                  |
|         | Commission                                   |                   |   |   |   |   |                    |
|         | Others, please specify                       |                   |   |   |   |   |                    |
|         | Total (1)                                    | -                 | - | - | - | - | -                  |
| 2.      | Other Non-Executive Directors                |                   |   |   |   |   |                    |
|         | Fee for attending board / committee meetings | -                 | - | - | - | - | -                  |
|         | Commission                                   |                   |   |   |   |   |                    |
|         | Others, please specify                       |                   |   |   |   |   |                    |
|         | Total (2)                                    | -                 | - | - | - | - | -                  |
|         | Total (B)=(1+2)                              | -                 | - | - | - | - | -                  |
|         | Total Managerial Remuneration                | -                 | - | - | - | - | -                  |
|         | Overall Ceiling as per the Act               | -                 | - | - | - | - | -                  |

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

| Sr. No. | Particulars of Remuneration  | Key Managerial Personnel |    |     |       |
|---------|--|--------------------------|----|-----|-------|
|         |  | CEO                      | CS | CFO | Total |
| 1.      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | -                        | -  | -   | -     |
| 2.      | Stock Option   | -                        | -  | -   | -     |
| 3.      | Sweat Equity   | -                        | -  | -   | -     |

|    |   |   |   |   |   |
|----|---|---|---|---|---|
| 4. | Commission<br>- as % of profit<br>- others, specify | - | - | - | - |
| 5. | Others, please specify                              | - | - | - | - |
|    | <b>Total</b>  | - | - | - | - |

**VII. Penalties / Punishment / Compounding of Offences:**

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

## “Annexure B”

### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

#### **I. Preface**

In terms of the provisions of section 135 of the Companies Act, 2013 and rules made thereon as amended from time to time and in pursuance of the Company's policy for good Corporate Governance Compliance and disclosure this policy on the CSR adopted by company.

#### **II. 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".

#### **III. Definitions:**

1. "Emkay" means Emkay Taps and Cutting Tools Limited or ETCTL.
2. "Corporate Social Responsibility Committee" means the Committee of the Board constituted by the Board of Directors of "EMKAY" in accordance with provisions of Section 135 of the Companies Act 2013 and rules made thereon.
3. "Board" means Board of Directors of Emkay Taps And Cutting Tools Limited.
4. "Corporate Social Responsibility (CSR)" means and includes but is not limited to:
  - (i) Projects or programs relating to activities specified in Schedule VII to the Act or
  - (ii) Projects or programs relating to activities undertaken by the board of directors of company (board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
5. "CSR Policy" related to the activities to be undertaken by the company as specified in Schedule VII to the Companies Act 2013 and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of the company.
6. "Net Profit: means the net profit of a company as per its financial statement prepared in accordance with the applicable provision of the Act, but shall not include the following namely,
  - (i) Any profit arising from any overseas branch or branches of the company' whether operated as a separate company or otherwise; and
  - (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re - calculated in accordance with the provisions of the Act.

Provided further that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub section (l) of section 381 read with section 198 of the Act.

#### IV. Interpretation

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 as amended from time to time.

#### V. Constitution

| Sr. No. | Name                    | Designation                        | Position in Committee |
|---------|-------------------------|------------------------------------|-----------------------|
| 1.      | Mr. Ajayprakash Kanoria | Chairman & Managing Director       | Chairman              |
| 2.      | Mrs. Alka Kanoria       | Whole-time Director                | Member                |
| 3.      | Mr. Mahesh Mor          | Non-Executive-Independent Director | Member                |

#### VI. Membership

- The CSR Committee refers to the Committee shall consist of three members along with Chairperson.
- All members should be from Board of Members and one of the Committee Members being Non-executive Director.
- The term of the office of the member of the Committee shall not exceed his or her term of office as a Director.
- The board of directors of the company can at any moment revoke a member's membership to the committee.
- The Committee shall ensure that the Board and senior management are provided with sufficient information to ensure informed decision making.

#### VII. Chairperson

- Any Director either Independent Director or executive director can be appointed as Chairperson.
- Appointment of Chairperson will be done by Members of Committee.

If Chairperson is absent then members of the Committee present at the meeting shall choose one of the other members of the Committee to Chair that particular meeting.

#### VIII. CSR Activity

The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through a registered Trust or a registered society or a company established under section 8 of the Act or otherwise: Provided that -

- It shall have an established track record of three years in undertaking similar programs or projects;



- The company has specified the project or programs to be undertaking through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the Rules of Companies Act 2013.
- Subject to the Provision of Subsection (5) of section 135 of the Companies Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
- The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act' Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

### **VIII. Duties of Committee**

The responsibility of the Committee shall, inter - alia, include the following, namely

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII ( list of activities are mentioned in annexure A of this policy);
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) Monitor the Corporate Social Responsibility Policy of the company from time to time.
- (d) Ensure that it does not include the activities undertaken in pursuance of normal course of business of a company.
- (d) ensure that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of company.

The Board of Emkay referred to in II shall,—

- after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
- ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.
- ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

**IX: CSR Policy:**

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.

**X. 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.

**XI. Frequency of Meetings**

- The Chairman will call a meeting of the Committee if so requested by any member of the Committee.
- As a minimum, the Committee shall meet once per year.

**XII. Reporting**

- Proceedings of all meetings shall be signed by the Chairman or the Chair of the Committee. Minutes of all Committee meetings will be provided to the subsequent Board and Committee meeting.
- The Board's report of the company under ~~sub~~ section ( 3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee along with CSR activity undertaken by company with spending of amount as per Annexure mentioned under the Rules as Annual report on CSR.

**XIII. Review of Charter**

- This charter is to be reviewed by the Board to ensure it remains consistent with Board's objectives and responsibilities for CSR.

- **XIV. Publication of Charter**

A copy of this charter is available at website of company i.e. [www.emkaytapsandtools.com](http://www.emkaytapsandtools.com). This charter is to be made available to shareholders of Company upon request.

- **XV. Amendment**

The Company reserves its rights to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever.

## “Annexure C”

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.

- 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                    | Amount in Crore (Rs.) |         |
|-------------------------------|-----------------------|---------|
|                               | 2014-15               | 2013-14 |
| Total Foreign Exchange Outgo  | 2.48                  | 1.56    |
| Total Foreign Exchange Earned | 4.72                  | 3.29    |

## CORPORATE GOVERNANCE REPORT- 2014-15

### **Corporate Governance 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. In terms of clause 52 of the Listing Agreement, 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., 3 Non-Executive Independent Directors; a Managing Director and a Whole time Director. The Chairman of the Board is a Managing Director.

The composition of the Board is in conformity with Clause 52 of the Listing Agreement 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.

- **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 period 1.1.2014 to 31.03.2015 | 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 |
|---------|----------------------|----------------------------------|---|---|---|--------|--|
|         |                      |                                  |   |   | Chairman  | Member |  |
| 1       | Ajayprakash Kanoria  | Chairman cum Managing Director   | 13  | -   | -   | -      | 1,60,625                                 |
| 2       | Alka Kanoria         | Whole Time Director              | 13  | -   | -   | -      | 3,12,275                                 |

|   |                  |                                     |   |   |   |   |   |
|---|------------------|-------------------------------------|---|---|---|---|---|
| 3 | Rahul Bagdia*    | Non- Executive Independent Director | - | 1 | - | 1 | - |
| 4 | Mahesh Mor*      | Non-Executive Independent Director  | - | - | - | - | - |
| 5 | Ravindra Loiya** | Non- Executive Independent Director | - | - | - | - | - |

\* Mr. Rahul Bagdia and Mr. Mahesh Mor were appointed as Non-Executive Independent Directors in EGM held on 8<sup>th</sup> April, 2015.

\*\* Mr. Ravindra Loiya was appointed as Non-Executive Independent Directors in EGM held on 24<sup>th</sup> April, 2015.

#### • Number of Board Meetings

During the financial year from 1st April, 2015 to 31st March 2015, the Board of Directors met Thirteen times on 1<sup>st</sup> April, 2014, 7<sup>th</sup> April, 2014, 21<sup>st</sup> April, 2014, 15<sup>th</sup> May, 2014, 2<sup>nd</sup> June, 2014, 1<sup>st</sup> July, 2014, 11<sup>th</sup> August, 2014, 14<sup>th</sup> August, 2014, 11<sup>th</sup> November, 2014, 16<sup>th</sup> January, 2015, 12<sup>th</sup> February, 2015, 16<sup>th</sup> February, 2015, 18<sup>th</sup> March, 2015. 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](http://www.emkaytapsandtools.com). The Board Members and Senior Management Personnel have affirmed compliance with the aforesaid code. A declaration signed by the CEO & Managing Director in this regard is attached and forms part of this Report.

### Board Level Committees

The Company has the following Board Level Committees:

- Audit Committee w.e.f. 05<sup>th</sup> May, 2015.
- Nomination and Remuneration Committee w.e.f. 5<sup>th</sup> May, 2015
- Stakeholder's Relationship Committee w.e.f. 5<sup>th</sup> May, 2015
- Corporate Social Responsibility Committee w.e.f. 13<sup>th</sup> July, 2015
- Management Committee w.e.f. 13<sup>th</sup> 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 05<sup>th</sup> May, 2015 was constituted the Audit Committee. **Hence** there is no meeting held during the year 2014-15.

The composition of Audit Committee of the Company is as under:-

| Sr. No. | Name                    | Designation                        | Position in Committee |
|---------|-------------------------|------------------------------------|-----------------------|
| 1.      | Mr. Mahesh Mor          | Non-Executive-Independent Director | Chairman              |
| 2.      | Mr. Rahul Bagdia        | Non-Executive-Independent Director | Member                |
| 3.      | Mr. Ajayprakash Kanoria | Managing Director                  | Member                |

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 05<sup>th</sup> May, 2015 was constituted the Nomination and Remuneration Committee. **Hence** there is no meeting held during the year ended 2014-15.

The Nomination and Remuneration Committee of the Company as under:-

| Sr. No. | Name               | 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                |

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

**Terms of Reference:**

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

**• Nomination and Remuneration Policy**

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

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

**➤ Definitions**

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

**“Key Managerial Personnel” means:**

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

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



➤ **Objective**

The objective of the policy is to ensure that:

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

➤ **Role of the Committee**

The role of the NRC will be the following:

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

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

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

➤ **Term /Tenure**

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

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time

Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director:**

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

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

Provided that an Independent Director shall not, during the said 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:

III. 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.

IV. 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:

- The Services are rendered by such Director in his capacity as the professional; and
- In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

V. 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:

VI. 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.

VII. 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.

VIII. 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.

IX. 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.

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

The details of remuneration paid to Mr. Ajayprakash Kanoria, Chairman cum Managing director from 1<sup>st</sup> April to 31<sup>st</sup> March, 2015 are given below;

| Particulars                                | Amount (in Rs.)   |
|--|-------------------|
| Basic Salary                               | 48,00,000         |
| Perquisites & Allowances                   | -                 |
| % of Net Profit                            | 8,205,880         |
| Contribution to PF and superannuation fund | 28,800            |
| <b>Total</b>                               | <b>13,034,680</b> |

The details of remuneration paid to Mrs. Alka Kanoria, Whole Time director from 1<sup>st</sup> April to 31<sup>st</sup> March, 2015 are given below;

| Particulars                                | Amount (in Rs.) |
|--|-----------------|
| Basic Salary                               | 3,60,000        |
| Perquisites & Allowances                   | -               |
| % of Net Profit                            | -               |
| Contribution to PF and superannuation fund | 18,600          |
| <b>Total</b>                               | <b>3,78,600</b> |

- **Sitting fee of Non-Executive Directors**

No. of meetings attended: **Not Applicable**

The Board of Directors at its meeting held on 23<sup>rd</sup> 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 is as follows: of the Director Board

| Name of the Meeting           | Amount payable to each director per meeting |
|-------------------------------|---|
| Meeting of Board of Directors | 7500  |
| Meeting of all Committees     | 2500  |

- **Stakeholders' Relationship Committee**

The Board in its meeting held on 05<sup>th</sup> May, 2015 has constituted the Stakeholders Relationship Committee. **Hence** there is no meeting held during the year ended 2014-15. **The Member No. of Meetings**

The Stakeholders' Relationship Committee comprised as under:-

| Sr. No. | Name               | 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 27<sup>th</sup> 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.

- **Management Committee:**

The Board in its meeting held on 13<sup>th</sup> 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.

- **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 Directors draw attention of the members to Note no.40 of the financial statement which sets out Related Party disclosures.

- **Management Discussion and Analysis**

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

### **General Body Meetings**

Particulars of last three Annual General Meetings:

| AGM              | Year Ended     | Venue   | Date               | Time    |
|------------------|----------------|---|--------------------|---------|
| 17 <sup>TH</sup> | March 31, 2012 | Plot No B-27 And B-27/1,<br>MIDC Hingna, Industrial Estate<br>Nagpur-440016 | September 29, 2012 | 4.00 PM |
| 18 <sup>TH</sup> | March 31, 2013 | Plot No B-27 And B-27/1,<br>MIDC Hingna, Industrial Estate<br>Nagpur-440016 | September 30, 2013 | 2.00 PM |
| 19 <sup>TH</sup> | March 31, 2014 | Plot No B-27 And B-27/1,<br>MIDC Hingna, Industrial Estate<br>Nagpur-440016 | September 30, 2014 | 4.00 PM |

- **Special Resolutions**

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

- **Postal Ballot**

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

### **Disclosures**

Wherever necessary, Directors and Senior Management Personnel make disclosures to the Board 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 13<sup>th</sup> 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 Shareholders Information**

| Sr. No. | Salient Items of Interest  | Particulars   |
|---------|--|---|
| 1.      | <b>AGM Date and Day Time Venue</b>   | On Tuesday, September 29, 2015.<br>12.00 PM<br>Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016                        |
| 2.      | <b>Financial Year</b>  | April 1 <sup>st</sup> 2014 to March 31 <sup>st</sup> , 2015   |
| 3.      | <b>Date of Book Closure</b>  | 26 <sup>th</sup> September to 29 <sup>th</sup> September  |
| 4.      | <b>Dividend Payment Date</b>   | No Dividend has been declared   |
| 5.      | <b>Listing on Stock Exchanges</b>  | The Company's equity shares are listed on SME Platform of NSE on 14 <sup>th</sup> August, 2015. The listing fee for the same has been paid. |
| 6.      | <b>Symbol</b>  | EMKAYTOOLS  |
| 7.      | <b>Market Price Data: High, Low during each month in Last Financial Year</b> | Not Applicable*   |

|     |   |  |
|-----|---|--|
| 8.  | <b>Register and Transfer Agents</b>   | Bigshare Services Private Limited<br>E-2/3, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (E), Mumbai -400 072.<br>Tel: 91-22-28470652   40430200   28470653<br>Fax: 91-22-2847 5207<br>Website:www.bigshareonline.com<br>email: ipo@bigshareonline.com |
| 9.  | <b>Share Transfer System</b>  | As all the shares are held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.   |
| 10. | <b>Distribution of Shareholding</b>   | *Not Applicable  |
| 11. | <b>Dematerialization of shares and liquidity</b>  | All the Equity shares i.e. 100 % of the total issued, subscribed and paid-up equity share capital of the Company was held in dematerialized form.  |
| 12. | <b>Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity</b> | Not Applicable   |
| 13. | <b>Plant Locations</b>  | Plot No. B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016   |
| 14. | <b>Address for correspondence</b>   | Compliance Officer: Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016<br>Ph. No. 91-7104-237584/237363<br>Fax No. 91-7104-232862<br>Email: ID:investor@emkaytapsandtools.com   |

\* The Company got listed on NSE SME Platform on 13<sup>th</sup> August 2015.Hence Distribution of shareholding and Market Price data is not available for the year 2014-15.

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

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 Clause 52 of the Listing Agreement 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: September 5, 2015

Place: Nagpur

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

**Sd/-**  
Roshan Harde  
**Partner**  
Membership No: A34630  
COP No: 13138



**CERTIFICATION FROM THE MANAGING DIRECTOR**  
**AND THE CFO**

In terms of clause 52 of the SME Listing Agreements with the NSE, we hereby certify as under:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015 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: September 5, 2015

For **Emkay Taps and Cutting Tools Limited**

Sd/-

Ajayprakash Kanoria  
**Chairman & Managing Director**

Sd/-

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: September 5, 2015

Sd/-

Ajayprakash Kanoria

**Chairman & Managing Director**

## “Annexure D”

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2014-15

### 1. Industry structure and development

The Indian machine tool industry, while emerging from a protected economy to a liberalized economy, has seen ups and downs, as any other industry. The unexpectedly rapid growth of the auto, auto component and aerospace industry has raised demand for the latest technology machines. The common quest for cost competitive manufacture has led to the adoption of high productivity machine tools and machining practices. The rise of the consumer goods industry has spurred the demand for metal forming machines in a big way.

As per the 2014 Gardner Business Media survey, India stands 16th in production and 11th in the consumption of machine tools in the world. India is set to become a key player in the global machine tools industry and is likely to see substantial high-end machine tool manufacturing. Industry experts say that the phenomenon is linked to the spurt in manufacturing, for which the machine tools sector serves as the mother industry. Since, the manufacturing capacity is stagnating and the growth rate for the machine tools industry falling in developed economies, shifting machine tool capacity to low-cost high skill geographies like India, has become imperative.

The Indian Machine tool Industry has around 1000 units in the production of machine tools, accessories/attachments, subsystems and parts. Of these, around 25 in the large scale sector account for 70% of the turnover and the rest are in the SME sector of the industry. Approximately, 75% of the Indian machine tool producers are ISO certified. While the large organized players cater to India's heavy and medium industries, the Small-scale sector meets the demand of ancillary and other units. Many machine tool manufacturers have also obtained CE Marking certification, in keeping with the requirements of the European markets.

### 2. Opportunities and Threats

- Make in India:

With the new and stable Government at Center, the overall sentiment in the industry has improved. In coming years we will see good results in the market. The Government's slogan '**Make in India**' and their future plans will bring more and more manufacturers to India.

- Rapid Growth of Market:

Cutting Tool industry will be the prime beneficiary if the manufacturing picks up. Therefore, we should pursue an aggressive path forward to enhance our market share. Apart from the automobile sector, and another big sector rapidly growing is auto ancillary sector. This sector also will be a big contributor to the cutting tool industry.

- **Threats:**
  - Being aware of the overall market condition of the auto sector that has not improved and more particularly heavy vehicle sector is in a very bad shape. Due to this situation, cutting tool industry is also going through a rough patch.
  - On a market survey, we got feedback about low prices being offered by some imported brands. These taps are made in China.
- Amid this situation, we are sure we will be able to overcome the competition and will have an added advantage as compared to manufacturers from any part of the world.

### 3. Segment wise or product wise performance

The company has only three reportable segments viz. Engineering Tools and Power on Consolidation basis. These various figures relating to each reportable segment are disclosed as a part of the notes to the accounts in Note no. 37.

### 4. 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.

### 5. 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.

The key risks identified by the Company are increase in power, fuel and freight costs; capacity / demand mismatching the industry; volatility in Forex and high interest rates. Whereas 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.

#### **6. Internal control systems and their accuracy:**

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

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

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

#### **7. 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.

#### **8. 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.

#### **9. 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.

Date: September 5, 2015

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Sd/-

Ajayprakash Kanoria

**(Chairman and Managing Director)**

(DIN: 00041279)

## INDEPENDENT AUDITOR'S REPORT

To,

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

### **Report on the Financial Statements**

The company got converted to Public Limited w.e.f. 24<sup>th</sup> April 2015. However we have audited the accompanying financial statements of Emkay Taps And Cutting Tools Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, 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, 2015, and its profit for the period ended on that date.

## **Report on Other Legal and Regulatory Requirements**

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 31<sup>st</sup> March, 2015 taken on recorded by the board of directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 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"
- 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.

Place: Nagpur  
Date: 05/09/2015

For and on Behalf of  
**Vijay Agrawal & Company**  
Chartered Accountants  
FRN: 138350W  
Sd /-  
**Vijay Agrawal**  
(Partner)  
Membership No. 031863



## ANNEXURE 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 Private Limited ("the Company"), on the Financial Statements for the period ended 31<sup>st</sup> March 2015, 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.** In our opinion, the Company has an adequate internal control system, which is commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Also, there is no major weakness in internal control system.

**v.** The Company has not accepted any deposits from public within the meaning of sections 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under, where applicable. Therefore the said clause is not applicable to the Company.

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

- vii.** In respect of statutory dues:
- a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. There are no undisputed amounts payables in respect of the aforesaid dues as on 31<sup>st</sup> March 2015 for a period more than six months from the date of becoming payable.
  - b) The Company has no disputed statutory dues pending to be deposited as on 31<sup>st</sup> March 2015 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.
  - c) The provision of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder, are not applicable to the Company.
- viii.** The Company does not have any accumulated losses as at 31<sup>st</sup> March 2015 and cash losses in the period ended on that date or in the immediately preceding financial year.
- ix.** The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
- x.** The Company has not given guarantees for loans taken by others from banks or financial institution.
- xi.** The term loans taken and/or utilized during the period have been applied for the purpose for which they were obtained.
- xii.** In accordance with the Generally Accepted Accounting Practices in India, and in accordance to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place: Nagpur  
Date: 05/09/2015

For and on Behalf of  
**Vijay Agrawal & Company**  
*Chartered Accountants*  
FRN: 138350W

Sd/-  
**Vijay Agrawal**  
*Partner*  
Membership No. 031863

**M/S EMKAY TAPS AND CUTTING TOOLS PVT. LTD.**  
**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2015**

| Particulars  | Note No.  | Figures as at the end of 31 <sup>st</sup> March 2015 | Figures As At The End Of 31 <sup>st</sup> March 2014 |
|--|-----------|--|--|
| <b><u>I. EQUITY AND LIABILITIES</u></b>              |           |  |  |
| <b>(1) Shareholder's Funds</b>                       |           |  |  |
| (a) Share Capital                                    | <b>4</b>  | 17,785,500.00  | 8,461,200.00   |
| (b) Reserves And Surplus                             | <b>5</b>  | 562,458,493.76                                       | 487,106,055.44                                       |
| <b>(2) Share Application Money Pending Allotment</b> |           | -  | -  |
| <b>(3) Non-Current Liabilities</b>                   |           |  |  |
| (a) Long-Term Borrowings                             | <b>6</b>  | 1,487,576.08   | 474,265.00   |
| (b) Deferred Tax Liabilities (Net)                   | <b>7</b>  | 22,060,502.00  | 26,933,147.00  |
| <b>(4) Current Liabilities</b>                       |           |  |  |
| (a) Short-Term Borrowings                            | <b>8</b>  | 15,200,813.70  | 18,098,049.17  |
| (b) Trade Payables                                   | <b>9</b>  | 23,579,810.15  | 14,187,339.31  |
| (c) Other Current Liabilities                        | <b>10</b> | 19,805,223.74  | 13,610,024.47  |
| (d) Short-Term Provisions                            | <b>11</b> | 6,445,693.00   | 12,411,631.00  |
| <b>Total :</b>                                       |           | <b>668,823,612.43</b>                                | <b>581,281,711.39</b>                                |
| <b><u>II. ASSETS</u></b>                             |           |  |  |
| <b>(1) Non-Current Assets</b>                        |           |  |  |
| <b>(a) Fixed assets</b>                              |           |  |  |
| (i) Tangible assets                                  | <b>12</b> | 139,426,744.55                                       | 155,689,679.84                                       |
| (ii) Intangible assets                               |           | -  | -  |
| (iii) Capital work-in-progress                       |           | -  | -  |
| (iv) Intangible assets under development             |           | -  | -  |
| (b) Non-Current Investments                          | <b>13</b> | 306,078,675.88                                       | 249,067,214.11                                       |
| (c) Deferred tax assets (net)                        |           | -  | -  |
| (d) Long term loans and advances                     | <b>14</b> | 1,132,404.00   | 1,127,344.60   |
| (e) Other non-current assets                         |           | -  | -  |
| <b>(2) Current Assets</b>                            |           |  |  |
| (a) Current Investments                              |           | -  | -  |
| (b) Inventories                                      | <b>15</b> | 96,060,515.31  | 81,580,823.61  |
| (c) Trade Receivables                                | <b>16</b> | 95,469,250.45  | 74,491,527.31  |
| (d) Cash And Cash Equivalents                        | <b>17</b> | 18,627,064.97  | 9,363,149.23   |
| (e) Short-Term Loans And Advances                    | <b>18</b> | 5,405,389.47   | 4,961,458.56   |
| (f) Other Current Assets                             | <b>19</b> | 6,623,567.80   | 5,000,514.13   |
| <b>Total :</b>                                       |           | <b>668,823,612.43</b>                                | <b>581,281,711.39</b>                                |
| <b>Cash Flow Statement</b>                           |           | Note 1   |  |
| <b>Significant Accounting Policies</b>               |           | Note 2 & 3   |  |
| <b>Notes forming Part of Balance Sheet</b>           |           | Note 1 to 41   |  |

For Emkay Taps And Cutting Tools Ltd.

Sd/-  
Ajayprakash Kanoria  
Chairman & Managing Director

Sd/-  
Alka Kanoria  
Whole time Director

As Per My Report of Even Date Attached  
For M/s Vijay Agrawal & Company  
Chartered Accountants

FRN 138350W

Place : Nagpur  
Dated : 05/09/2015

Sd/-  
Vijay Agrawal  
Partner  
Membership No. 031863

## M/S EMKAY TAPS AND CUTTING TOOLS PVT. LTD.

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015

|             | Particulars   | Note No.          | Figures as at the end of 31st March 2015 | Figures as at the end of 31st March 2014 |
|-------------|---|-------------------|--|--|
| I.          | Revenue From Operations   | 20                | 377,660,345.25                           | 297,532,413.42                           |
| II.         | Other Income  | 21                | 24,661,087.34                            | 2,565,504.80                             |
| III.        | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 22                | 12,673,386.42                            | 4,210,176.67                             |
| <b>IV.</b>  | <b>Total Revenue</b>  |                   | <b>414,994,819.01</b>                    | <b>304,308,094.89</b>                    |
| V           | <u>Expenses</u>   |                   |  |  |
| (a)         | Cost of Raw Material Consumed   | 23                | 58,093,859.88                            | 51,082,134.67                            |
| (b)         | Cost of Stores Consumed   | 24                | 11,886,373.77                            | 11,973,374.28                            |
| (c)         | Cost of Packing Material Consumed   | 25                | 2,141,176.57                             | 2,688,879.95                             |
| (d)         | Manufacturing Expenses  | 26                | 95,441,931.74                            | 80,660,509.12                            |
| (e)         | Windmill Expenses   | 27                | 2,576,254.00                             | 2,849,059.00                             |
| (f)         | Shares Expenses   | 28                | 497,843.68                               | 235,228.12                               |
| (g)         | Employee Benefit Expenses   | 29                | 27,094,088.49                            | 20,575,328.95                            |
| (h)         | Administration Expenses   | 30                | 16,247,533.18                            | 10,485,270.27                            |
| (i)         | Selling & Distribution Expenses   | 31                | 8,977,940.42                             | 7,505,690.14                             |
| (j)         | Other Expenses  | 32                | 681,594.00                               | 464,298.00                               |
| (k)         | Finance Costs   | 33                | 874,000.34                               | 321,591.00                               |
| (l)         | Depreciation And Amortization Expenses  | 34                | 26,364,637.62                            | 25,692,277.21                            |
|             | <b>Total Expenses :</b>   |                   | <b>250,877,233.69</b>                    | <b>214,533,640.71</b>                    |
| VI.         | Profit Before Exceptional And Extraordinary Items And Tax                     | [IV - V]          | 164,117,585.32                           | 89,774,454.18                            |
| VII.        | Exceptional Items   |                   | -  | -  |
| VIII.       | Profit Before Extraordinary Items And Tax                                     | [VI - VII]        | 164,117,585.32                           | 89,774,454.18                            |
| IX.         | Extraordinary Items   |                   | -  | -  |
| X.          | Profit Before Tax   | [VIII - IX]       | 164,117,585.32                           | 89,774,454.18                            |
| XI.         | <u>Tax Expenses :</u>   |                   |  |  |
| (a)         | Income Tax  | 35                | 60,616,092.00                            | 35,410,055.00                            |
| (b)         | Deferred Tax  |                   | (4,872,645.00)                           | (3,023,211.00)                           |
| XII.        | Profit / (Loss) From The Period From Continuing Operations                    | [X - XI]          | <b>108,374,138.32</b>                    | <b>57,387,610.18</b>                     |
| XIII.       | Profit / (Loss) From Discontinuing Operations                                 |                   | -  | -  |
| XIV.        | Tax Expense of Discounting Operations   |                   | -  | -  |
| XV.         | Profit / (Loss) From Discontinuing Operations After Tax                       | [XIII - XIV]      | -  | -  |
| <b>XVI.</b> | <b>Profit / (Loss) For The Period</b>   | <b>[XII + XV]</b> | <b>108,374,138.32</b>                    | <b>57,387,610.18</b>                     |
| XVII.       | Earning per equity share :  | 36                |  |  |
| (1)         | Basic   |                   | 58.75                                    | 29.99                                    |
| (2)         | Diluted   |                   | 58.75                                    | 29.99                                    |

For Emkay Taps And Cutting Tools Ltd.

Sd/-

Ajayprakash Kanoria

Chairman &amp; Managing Director

Place : Nagpur  
Dated : 05/09/2015

Sd/-

Mrs. Alka Kanoria

Whole time Director

As Per My Report of Even Date Attached  
For M/s Vijay Agrawal & Company

Chartered Accountant

FRN 138350W

Sd/-

Vijay Agrawal

Partner

Membership No. 031863

**M/S EMKAY TAPS AND CUTTING TOOLS PVT. LTD.****STATEMENT OF CASH FLOWS NOTE 1 (Amount in Rs.)**

| Particulars  | For the year ended     |                        |
|--|------------------------|------------------------|
|  | 31.03.2015             | 31.03.2014             |
| <b>Cash Flow From Operating Activities:</b>  |                        |                        |
| Profit before tax  | 164,117,585.32         | 89,774,454.18          |
| Adjustment for:  |                        |                        |
| Depreciation & Amortization Expenses   | 26,364,637.62          | 25,692,277.21          |
| Interest Paid  | 874,000.34             | 321,591.00             |
| Interest Received / Other Non-Operative Receipt ( Dividend Received )  | (24,661,087.34)        | (2,565,504.80)         |
| <b>Operating Profit before Working Capital Changes</b>   | <b>166,695,135.94</b>  | <b>113,222,817.59</b>  |
| Movement in working capital  |                        |                        |
| Decrease / (Increase) in inventories   | (14,479,691.70)        | (6,147,830.70)         |
| Decrease / (Increase) in trade receivable  | (20,977,723.14)        | (5,351,700.36)         |
| Decrease / (Increase) in short term loans & advances   | (443,930.91)           | (2,948,671.18)         |
| Decrease / (Increase) in other current assets  | (1,623,053.67)         | 2,392,729.84           |
| Decrease / (Increase) in Long Term loans & advances  | (5,059.40)             | (65,650.00)            |
| Increase / (Decrease) in trade payable   | 9,392,470.84           | (129,571.36)           |
| Increase / (Decrease) in other current liabilities   | 6,195,199.27           | 2,781,310.96           |
| Increase / (Decrease) in short term provisions   | 235,850.00             | 52,080.00              |
| <b>Cash Generated from Operation</b>   | <b>144,989,197.23</b>  | <b>103,805,514.79</b>  |
| Taxes Paid (Net of Refunds)  | (66,817,880.00)        | (25,445,743.00)        |
| <b>Net Cash from Operating Activities</b>  | <b>78,171,317.23</b>   | <b>78,359,771.79</b>   |
| <b>Cash Flow Used In Investing Activities:</b>   |                        |                        |
| Fixed Asset Purchased (Net)  | (10,101,702.33)        | (1,157,354.55)         |
| Interest Received / Other Non-Operative Receipt (Including Subsidy Received)   | 26,826,087.34          | 6,775,534.80           |
| Adjustment for:  |                        |                        |
| Long Term Loan & Advances  | -                      | -                      |
| Non-Current Investments  | (57,011,461.77)        | (83,500,376.24)        |
| Acquisition / Subscription / Investment in Subsidiaries / Associates   | -                      | -                      |
| Advances to parties  | -                      | -                      |
| <b>Net Cash flow used in Investing Activities</b>  | <b>(40,287,076.76)</b> | <b>(77,882,195.99)</b> |
| <b>Cash Flow From Financing Activities:</b>  |                        |                        |
| Proceeds from issue of shares  | -                      | -                      |
| Payment on Buy Back of Share Capital   | (25,862,400.00)        | -                      |
| Proceeds from Short term borrowings  | (2,897,235.47)         | 3,880,628.72           |
| Proceeds from Long term borrowings   | 1,013,311.08           | (3,572,978.00)         |
| Payment of Dividend and tax on it  | -                      | -                      |
| Interest paid  | (874,000.34)           | (321,591.00)           |
| <b>Net Cash flow from Financing Activities</b>   | <b>(28,620,324.73)</b> | <b>(13,940.28)</b>     |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>  | <b>9,263,915.74</b>    | <b>463,635.52</b>      |
| <b>Cash &amp; Cash Equivalents at the beginning of the year</b>  | <b>9,363,149.23</b>    | <b>8,899,513.71</b>    |
| <b>Cash &amp; Cash Equivalents at the end of the year</b>  | <b>18,627,064.97</b>   | <b>9,363,149.23</b>    |
| 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  |                        |                        |

**M/S EMKAY TAPS AND CUTTING TOOLS PVT. LTD.****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 Private Limited Company Limited by shares.  |
| 2.1  | The Company is undergoing the process of Conversion from Private Company to Public Limited Company having the same Registered Office and necessary Statutory Compliances are being undertaken for such change in its status as on the date of Balance Sheet.   |
| 2.2  | The Company got converted to Public Company w.e.f. 24/04/2015 and is listed on National Stock Exchange (India) Ltd. SME EMERGE Platform w.e.f. August 13, 2015   |
| 3    | <b>SIGNIFICANT ACCOUNTING POLICIES :</b>   |
| 3.1  | <b>Basis of accounting and preparation of financial statements</b><br><br>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  | <b>Use of estimates</b><br><br>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 recognized in the periods in which the results are known / materialize. |
| 3.3  | <b>Depreciation and amortization</b><br><br>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.<br><br>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.<br>Leasehold Land, if any, has been amortized over the period of lease.  |
| 3.4  | <b>Revenue recognition</b><br><br>Income & expenses are recognized 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.  |

| <b>M/S EMKAY TAPS AND CUTTING TOOLS PVT. LTD.</b> |  |
|---|--|
| <b>3.5</b>  | <p><b>Tangible fixed assets</b></p> <p>Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.</p>  |
| <b>3.6</b>  | <p><b>Earnings per share</b></p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The company has not issued any dilutable Shares to any persons. The EPS has been calculated as per Accounting Standard 20 "Earning Per share" issued by The Institute of Chartered Accountants of India.</p>  |
| <b>3.7</b>  | <p><b>Taxes on income</b></p> <p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p> <p>Deferred tax is recognized 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 recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p> |
| <b>3.8</b>  | <p><b>Investment</b></p> <p>Current Investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term investments are carried at cost. Provision for diminution in the value of Long Term Investments in made only if; such a decline is other than temporary.</p>   |
| <b>3.9</b>  | <p><b>Inventory</b></p> <p>The inventories, i.e. Raw Materials, Stores and spares, Finished Goods etc. have been value at lower of cost or net realisable value. Cost of Inventories comprises of all costs of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. The cost of raw Material and Stores &amp; Spares is determined at Weighted Average Cost basis. By-products are valued at Net Realisable value. The cost of work in progress and finished stock is determined on the absorption costing method. The value of Finished Goods includes Excise Duty wherever applicable.</p>  |
| <b>3.10</b>                                       | <p><b>Employee Benefits</b></p> <p>Short Term Employee Benefits are recognized as an expense in the year in which the related service is rendered at the undiscounted amount in the statement of Profit and Loss.</p>  |

| <b>M/S EMKAY TAPS AND CUTTING TOOLS PVT. LTD.</b> |   |
|---|---|
| <b>3.11</b>                                       | <p><b>Cash Flow Statements :</b><br/>The Cash Flow Statement of the Company has been prepared as per Accounting Standard - 3: "Statement of Cash Flow" as prescribed by the Institute of Chartered Accountants of India using the Indirect Method.</p>  |
| <b>3.12</b>                                       | <p><b>Impairment of assets</b></p> <p>An impairment loss is recognized wherever the carrying amount of fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.</p>   |
| <b>3.13</b>                                       | <p><b>Segment Reporting</b></p> <p>The segment reporting of the Company as prepared in the Notes to Accounts of the Company has been prepared in accordance with the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. For the purpose of Reporting the Company has Three (3) segments as mentioned below which are considered as primary segments based on Business undertaken by the Company.</p> <p>Segment A : Manufacturing of Taps &amp; Cutting Tools<br/>Segment B : Production of Power through Windmill<br/>Segment C : Share Trading and Other sources of Revenues</p>   |
| <b>3.14</b>                                       | <p><b>Provisions and contingencies</b></p> <p>A provision is recognized 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 31st March 2015.</p> |



**M/S EMKAY TAPS AND CUTTING TOOLS PVT. LTD.**  
**Note Forming Part of Balance Sheet As on 31st March 2015**

| P A R T I C U L A R S  | Figures as at the end of<br>31st March 2015 |                      | Figures as at the end of<br>31st March 2014 |                     |
|--|---|----------------------|---|---------------------|
| <b>Note 4</b>  |   |                      |   |                     |
| <b><u>SHARE CAPITAL</u></b>  |   |                      |   |                     |
| <b>Authorised</b><br>20,00,000 Share of Rs. 10/- Each  |   | 20,000,000.00        |   | 10,000,000.00       |
| <b>Issued and Subscribed</b><br>17,78,550 Shares of Rs. 10/- Each<br>Fully Paid Up   |   | 17,785,500.00        |   | 8,461,200.00        |
| <b>Paid Up</b><br>17,78,550 Shares of Rs. 10/- Each<br>Fully Paid Up   |   | 17,785,500.00        |   | 8,461,200.00        |
| <b>TOTAL :</b>   |   | <b>17,785,500.00</b> |   | <b>8,461,200.00</b> |
| <b>4.1 Reconciliation of number of shares outstanding at the beginning and at the year of the year</b>   |   |                      |   |                     |
|  | <b>Year Ended 31st March 2015</b>           |                      | <b>Year Ended 31st March 2014</b>           |                     |
|  | No. of Share                                | In Rs.               | No. of Share                                | In Rs.              |
| Number of shares at the beginning of the year  | 846,120.00                                  | 8,461,200.00         | 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  | 1778550.00                                  | 17785500.00          | 846,120                                     | 8,461,200.00        |
| <b>4.2 Terms/Rights attached to equity Shares</b>  |   |                      |   |                     |
| 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. |   |                      |   |                     |
| <b>4.3 Details of Shareholding more than 5% shares in the company.</b>   |   |                      |   |                     |
|  | <b>Year Ended 31st March 2015</b>           |                      | <b>Year Ended 31st March 2014</b>           |                     |
|  | No. of Share                                | % Holding            | No. of Share                                | % Holding           |
| 1. Ajayprakash Kanoria (HUF)   | 998000                                      | 56.11%               | 399200                                      | 47.19%              |
| 2. Alka Ajayprakash Kanoria  | 312275                                      | 17.56%               | 124910                                      | 14.76%              |
| 3. Nagpur Tools Pvt. Ltd.  | 306400                                      | 17.23%               | 122560                                      | 14.49%              |
| 4. Ajayprakash Kanoria   | 160625                                      | 9.03%                | 64250                                       | 7.59%               |
| 5. Volkel Daniel Peter   | -   | 0.00%                | 134600                                      | 15.91%              |

| Particulars   |                | Figures as on the<br>end of 31st March<br>2015 |                | Figures as on<br>the end of 31st<br>March 2014 |
|---|----------------|--|----------------|--|
| <b>Note 5</b><br><b><u>RESERVE AND</u></b><br><b><u>SURPLUS :</u></b>   |                |  |                |  |
| <b>Share Premium Account</b><br>Balance as per last Balance<br>Sheet  | 66,556,180.00  |  | 66,556,180.00  |  |
| Less: Withdrawal During<br>the Year   | 24,515,400.00  | 42,040,780.00                                  | -              | 66,556,180.00                                  |
| <b>Sicom Capital Incentive<br/>Reserve</b><br>Balance as per last Balance<br>Sheet  | 2,975,000.00   |  | 2,975,000.00   |  |
| Add : Addition during the<br>year   | -              | 2,975,000.00                                   | -              | 2,975,000.00                                   |
| <b>D.C.V.L. Subsidy</b><br>Balance as per last Balance<br>Sheet   | 970,900.00     |  | 970,900.00     |  |
| Add : Addition during the<br>year   | -              | 970,900.00                                     | -              | 970,900.00                                     |
| <b>J.D.I.N Industrial<br/>Promotion Subsidy</b><br>Balance as per last Balance<br>Sheet   | 4,210,030.00   |  | 4,210,030.00   |  |
| Add : Addition during the<br>year   | 2,165,000.00   | 6,375,030.00                                   | -              | 4,210,030.00                                   |
| <b>Profit &amp; Loss Account</b><br>Balance as per last Balance<br>Sheet  | 412,393,945.44 |  | 355,006,335.26 |  |
| Add : Profit During the year<br>:   | 108,374,138.32 |  | 57,387,610.18  |  |
| Less : Bonus Shares Issued<br>During the Year   | 10,671,300.00  | 510,096,783.76                                 | -              | 412,393,945.44                                 |
| <b>Total :</b>  |                | <b>562,458,493.76</b>                          |                | <b>487,106,055.44</b>                          |
| <b>Note 6</b><br><b><u>LONG TERM</u></b><br><b><u>BORROWINGS :</u></b>  |                |  |                |  |
| <b>Secured Loans</b><br>Daimler Financial Services<br>(I) Pvt. Ltd.   | 1,360,311.08   | 1,360,311.08                                   | -              | -  |
| (Secured against<br>Hypothecation of Car and<br>Personal Guarantee of the<br>Directors for its repayment<br>of Rs. 1,11,993.00 monthly) |                |  |                |  |

|  |               |                      |               |                      |
|--|---------------|----------------------|---------------|----------------------|
| <b>Unsecured Loans</b>   |               |                      |               |                      |
| From Banks   |               |                      |               |                      |
| From Others  | 127,265.00    | 127,265.00           | 474,265.00    | 474,265.00           |
| <b>Total :</b>   |               | 1,487,576.08         |               | 474,265.00           |
| <b>Note 7</b>  |               |                      |               |                      |
| <b>DEFERRED TAX LIABILITIES</b>  |               |                      |               |                      |
| Liabilities arising out of Fixed Assets  |               |                      |               |                      |
| Balance as per Last Balance Sheet  | 26,933,147.00 |                      | 29,956,358.00 |                      |
| Asset Created During the Year  | 4,872,645.00  | 22,060,502.00        | 3,023,211.00  | 26,933,147.00        |
| <b>Total :</b>   |               | <b>22,060,5</b>      |               | <b>26,933,1</b>      |
| <b>Note 8</b>  |               |                      |               |                      |
| <b>SHORT TERM BORROWINGS :</b>   |               |                      |               |                      |
| Bank of Maharashtra Cash Credit Account No. : 20108197609 (Secured Against Hypothecation of Stock) | 13,578,917.88 |                      | 18,098,049.17 |                      |
| Cash Credit Account No. : 20108198319 (Secured Against Hypothecation of FDR)                       | 478,202.56    |                      | -             |                      |
| Daimler Financial Services (I) Pvt. Ltd. (Current Maturity of Long Term Loan due within 12 months) | 1,143,693.26  | 15,200,813.70        | -             | 18,098,049.17        |
| <b>Total :</b>   |               | <b>15,200,813.70</b> |               | <b>18,098,049.17</b> |
| <b>Note 9</b>  |               |                      |               |                      |
| <b>TRADE PAYABLES:</b>   |               |                      |               |                      |
| Due to : Micro and Small Enterprises   | -             |                      | -             |                      |
| Other Payables   | 12,097,891.15 |                      | 10,708,677.31 |                      |
| Related Party  | 11,481,919.00 | 23,579,810.15        | 3,478,662.00  | 14,187,339.31        |
| <b>Total :</b>   |               | <b>23,579,810.15</b> |               | <b>14,187,339.31</b> |

|   |                |                       |                |                       |
|---|----------------|-----------------------|----------------|-----------------------|
| <b>Note 10</b><br><b><u>OTHER CURRENT LIABILITIES :</u></b>   |                |                       |                |                       |
| Deposits & Advances Received  | 303,312.42     |                       | 247,841.01     |                       |
| Liability For Expenses  | 13,534,636.30  |                       | 7,970,935.22   |                       |
| Statutory Liabilities   | 3,500,172.27   |                       | 2,974,177.49   |                       |
| Other Credit Balances   | 2,467,102.75   | 19,805,223.74         | 2,417,070.75   | 13,610,024.47         |
| <b>Total :</b>  |                | <b>19,805,223.74</b>  |                | <b>13,610,024.47</b>  |
| <b>Note 11</b><br><b><u>SHORT TERM PROVISIONS :</u></b>   |                |                       |                |                       |
| For Employee Benefits   | 1,062,594.00   |                       | 931,297.00     |                       |
| For Others  | 5,383,099.00   | 6,445,693.00          | 11,480,334.00  | 12,411,631.00         |
| <b>Total :</b>  |                | <b>6,445,693.00</b>   |                | <b>12,411,631.00</b>  |
| <b>Note 13*</b><br><b><u>NON-CURRENT INVESTMENTS :</u></b>  |                |                       |                |                       |
| a) In Mutual Funds  | 59,381,436.54  |                       | 39,241,195.12  |                       |
| b) In Quoted Equity Shares  | 240,681,283.34 |                       | 203,808,262.99 |                       |
| c) In Unquoted Equity Shares  | 979,205.00     |                       | 981,005.00     |                       |
| d) In Fixed Deposit Receipts  | 5,036,751.00   | 306,078,675.88        | 5,036,751.00   | 249,067,214.11        |
| <b>Total :</b>  |                | <b>306,078,675.88</b> |                | <b>249,067,214.11</b> |
| <b>Note - 14</b><br><b><u>LONG TERM LOANS AND ADVANCES</u></b><br><b><u>(Advances recoverable in cash or in kind or for value to be received)</u></b> |                |                       |                |                       |
| a) Capital Advances (Unsecured and considered good)   | 13,900.00      |                       | 13,900.00      |                       |
| b) Security Deposits  | 1,118,504.00   |                       | 1,113,444.60   |                       |
| c) Other Loans & Advances   | -              | 1,132,404.00          | -              | 1,127,344.60          |
| <b>TOTAL :</b>  |                | <b>1,132,404.00</b>   |                | <b>1,127,344.60</b>   |

\*Note 12 is given after Note no. 41 on page no. 67

|   |               |                      |               |                      |
|---|---------------|----------------------|---------------|----------------------|
| <b>Note - 15</b>  |               |                      |               |                      |
| <b><u>INVENTORIES :</u></b><br>(Valued at Lower of Cost or Realisable Value as Certified by the Management) |               |                      |               |                      |
| Raw Material  | 21,858,618.69 |                      | 21,072,222.66 |                      |
| Consumable Stores   | 4,175,803.57  |                      | 3,155,894.32  |                      |
| Work In Progress  | 5,919,581.88  |                      | 5,599,050.39  |                      |
| Finished Goods  | 63,759,101.17 |                      | 51,157,956.24 |                      |
| Scrap Material<br>(At Estimated Realisable Value)   | 347,410.00    | 96,060,515.31        | 595,700.00    | 81,580,823.61        |
| <b>TOTAL :</b>  |               | <b>96,060,515.31</b> |               | <b>81,580,823.61</b> |
| <b>Note 16</b>  |               |                      |               |                      |
| <b><u>TRADE RECEIVABLES :</u></b>   |               |                      |               |                      |
| <b>Outstanding for more than 6 months</b>   |               |                      |               |                      |
| a) Secured & Considered Good  | -             |                      | -             |                      |
| b) Unsecured & Considered Good  | 1,120,665.61  |                      | 2,231,600.27  |                      |
| c) Considered Doubtful  | -             | 1,120,665.61         | -             | 2,231,600.27         |
| <b>Others</b>   |               |                      |               |                      |
| a) Secured & Considered Good  | -             |                      | -             | -                    |
| b) Unsecured & Considered Good  | 94,348,584.84 |                      | 72,259,927.04 |                      |
| c) Considered Doubtful  | -             | 94,348,584.84        | -             | 72,259,927.04        |
| <b>TOTAL :</b>  |               | <b>95,469,250.45</b> |               | <b>74,491,527.31</b> |
| <b>Note 17</b>  |               |                      |               |                      |
| <b><u>CASH AND CASH EQUIVALENTS :</u></b>   |               |                      |               |                      |
| Cash in Hand  | 86,875.92     | -                    | 61,566.92     | -                    |
| Balances with Bank  | 18,540,189.05 | 18,627,064.97        | 9,301,582.31  | 9,363,149.23         |
| <b>TOTAL :</b>  |               | <b>18,627,064.97</b> |               | <b>9,363,149.23</b>  |
| <b>Note 18</b>  |               |                      |               |                      |
| <b><u>SHORT TERM LOANS AND ADVANCES :</u></b>   |               |                      |               |                      |
| Advances with the Suppliers   | 4,469,833.29  |                      | 3,901,362.40  |                      |
| Loans & Advances to Staff   | 467,217.00    |                      | 548,457.00    |                      |
| Other Advances  | 468,339.18    | 5,405,389.47         | 511,639.16    | 4,961,458.56         |
| <b>TOTAL :</b>  |               | <b>5,405,389.47</b>  |               | <b>4,961,458.56</b>  |

|   |                |                       |                |                       |
|---|----------------|-----------------------|----------------|-----------------------|
| <b>Note 19</b>                                |                |                       |                |                       |
| <b><u>OTHER CURRENT ASSETS :</u></b>          |                |                       |                |                       |
| Advances with Revenue Authorities             | 5,671,861.62   |                       | 4,590,112.23   |                       |
| Other Debit Balances                          | 951,706.18     | 6,623,567.80          | 410,401.90     | 5,000,514.13          |
| <b>TOTAL :</b>                                |                | <b>6,623,567.80</b>   |                | <b>5,000,514.13</b>   |
| <b>Note 20</b>                                |                |                       |                |                       |
| <b><u>REVENUE FROM OPERATIONS :</u></b>       |                |                       |                |                       |
| <b>1. Domestic Sale</b>                       |                |                       |                |                       |
| Sale of Taps & Tools                          | 398,355,610.61 |                       | 319,534,015.73 |                       |
| Less : Excise & Education Cess                | 39,623,273.00  |                       | 32,059,191.00  |                       |
| : VAT Receipts                                | 18,422,353.00  |                       | 13,740,445.00  |                       |
| : CST Receipts                                | 4,505,239.00   |                       | 3,880,660.00   |                       |
| : Discount & Rate Difference                  | 5,965,746.39   |                       | 3,785,067.80   |                       |
| : Sales Return                                | 2,258,626.01   | 327,580,373.21        | 2,282,601.03   | 263,786,050.90        |
| <b>2. Export Sale</b>                         |                |                       |                |                       |
| Sale of Taps & Tools                          |                | 24,849,064.04         |                | 15,695,204.52         |
| <b>3. D.E.P.B License Sale</b>                |                |                       |                |                       |
| License Sales                                 | 1,813,785.00   |                       | 408,772.00     |                       |
| Less : VAT Receipts                           | 86,371.00      | 1,727,414.00          | 19,465.00      | 389,307.00            |
| <b>4. Scrap Sale</b>                          |                |                       |                |                       |
| Scrap Sale                                    | 11,059,288.99  |                       | 1,110,521.22   |                       |
| Less : Excise, Education Cess, VAT, CST & TCS | 1,508,215.99   | 9,551,073.00          | 178,546.22     | 931,975.00            |
| <b>5. Scrap Sale (Miscellaneous)</b>          |                |                       |                |                       |
| Less : VAT & TCS                              | 64,649.00      |                       | 165,269.00     |                       |
|   | 3,688.00       | 60,961.00             | 15,064.00      | 150,205.00            |
| <b>6. Power Generation Unit Sale</b>          |                |                       |                |                       |
| Power Generation Unit Sale                    | 13,986,492.00  |                       | 16,603,782.00  |                       |
| Less : Discount                               | 111,832.00     | 13,874,660.00         | 26,511.00      | 16,577,271.00         |
| <b>7. Job Work Receipts</b>                   |                | 16,800.00             |                | 2,400.00              |
| <b>TOTAL :</b>                                |                | <b>377,660,345.25</b> |                | <b>297,532,413.42</b> |
| <b>Note 21</b>                                |                |                       |                |                       |
| <b><u>OTHER INCOME :</u></b>                  |                |                       |                |                       |
| Dividend Received                             |                | 3,552,719.45          |                | 5,114,266.33          |

|  |               |                        |               |                       |
|--|---------------|------------------------|---------------|-----------------------|
| Duty Draw Back Receipts                |               | 18,427.00              |               | 9,898.00              |
| Exchange Rate Fluctuation              |               | 1,101,902.14           |               | 388,766.04            |
| F.D.R. Interest Received               |               | 550,105.08             |               | 605,418.34            |
| Interest Received                      |               | 78,736.06              |               | 83,296.47             |
| Profit on Sale of Motor Car            |               | 42,200.96              |               | -                     |
| Sales Tax Refund                       |               | -                      |               | 3,886.00              |
| Short Term Capital Gain                | 13,862,504.59 |                        | 670,491.66    |                       |
| Less : Short Term Capital Loss         | 3,043,659.19  | 10,818,845.40          | -             | 670,491.66            |
| Long Term Capital Gain                 | 12,153,134.97 |                        | -             |                       |
| Less : Long Term Capital Loss          | 4,584,004.19  | 7,569,130.78           | 4,299,005.45  | (4,299,005.45)        |
| Gain on HDFC Mutual Fund               | 2,773.95      |                        | 26,449.26     |                       |
| Less : Loss on HDFC Mutual Fund        | 24,091.61     | (21,317.66)            | 37,607.96     | (11,158.70)           |
| Gain on IDFC Mutual Fund               | 950,338.13    |                        | 0.00          |                       |
| Less : Loss on IDFC Mutual Fund        | -             | 950,338.13             | -             | -                     |
| Gain on Mutual Fund Liquid Bees        | -             |                        | -             | -                     |
| Less : Loss on Mutual Fund Liquid Bees | -             | -                      | 353.89        | (353.89)              |
| <b>TOTAL :</b>                         |               | <b>24,661,087.34</b>   |               | <b>2,565,504.80</b>   |
| <b>Note 22</b>                         |               |                        |               |                       |
| <b><u>CHANGES IN INVENTORY :</u></b>   |               |                        |               |                       |
| <b>1. Finished Goods :</b>             |               |                        |               |                       |
| Opening stock                          | 51,157,956.24 |                        | 46,620,985.16 |                       |
| Less : Closing stock                   | 63,759,101.17 | (12,601,144.93)        | 51,157,956.24 | (4,536,971.08)        |
| <b>2. Work-In-Progress :</b>           |               |                        |               |                       |
| Opening stock                          | 5,599,050.39  |                        | 5,445,714.80  |                       |
| Less : Closing stock                   | 5,919,581.88  | (320,531.49)           | 5,599,050.39  | (153,335.59)          |
| <b>3. Scrap Material :</b>             |               |                        |               |                       |
| Opening stock                          | 595,700.00    |                        | 1,075,830.00  |                       |
| Less : Closing stock                   | 347,410.00    | 248,290.00             | 595,700.00    | 480,130.00            |
| <b>TOTAL :</b>                         |               | <b>(12,673,386.42)</b> |               | <b>(4,210,176.67)</b> |

|   |               |                      |               |                      |
|---|---------------|----------------------|---------------|----------------------|
| <b>Note 23</b><br><b><u>COST OF RAW MATERIAL CONSUMED :</u></b>     |               |                      |               |                      |
| Opening Stock   | 21,072,222.66 |                      | 19,469,053.04 |                      |
| Add : Purchase of Raw Material                                      | 58,880,255.91 |                      | 52,685,304.29 |                      |
| Less : Closing Stock of Raw Material                                | 21,858,618.69 | 58,093,859.88        | 21,072,222.66 | 51,082,134.67        |
| <b>TOTAL :</b>  |               | <b>58,093,859.88</b> |               | <b>51,082,134.67</b> |
| <b>Note 24</b><br><b><u>COST OF STORES CONSUMED :</u></b>           |               |                      |               |                      |
| Opening Stock   | 3,155,894.32  |                      | 2,821,409.91  |                      |
| Add : Purchase of Consumable Stores                                 | 12,906,283.02 |                      | 12,307,858.69 |                      |
| Less : Closing stock of Consumable Stores                           | 4,175,803.57  | 11,886,373.77        | 3,155,894.32  | 11,973,374.28        |
| <b>TOTAL :</b>  |               | <b>11,886,373.77</b> |               | <b>11,973,374.28</b> |
| <b>Note 25</b><br><b><u>COST OF PACKING MATERIAL CONSUMED :</u></b> |               |                      |               |                      |
| Purchases   |               | 2,141,176.57         |               | 2,688,879.95         |
| <b>TOTAL :</b>  |               | <b>2,141,176.57</b>  |               | <b>2,688,879.95</b>  |
| <b>Note 26</b><br><b><u>MANUFACTURING EXPENSES :</u></b>            |               |                      |               |                      |
| Building Repairs  |               | 943,003.15           |               | 123,043.95           |
| Electricity Charges   |               | 7,654,423.84         |               | 8,320,535.00         |
| Freight & Octori  |               | 593,075.39           |               | 454,366.00           |
| Job Work Expenses   |               | 74,346,687.61        |               | 62,805,793.61        |
| Repairs and Maintenance   |               | 11,651,848.75        |               | 8,776,694.56         |
| Testing Expenses  |               | 29,640.00            |               | 27,425.00            |
| Water Charges   |               | 223,253.00           |               | 152,651.00           |
| <b>TOTAL :</b>  |               | <b>95,441,931.74</b> |               | <b>80,660,509.12</b> |



|   |          |                      |                      |
|---|----------|----------------------|----------------------|
| <b>Note 27</b>                              |          |                      |                      |
| <b><u>WINDMILL</u></b>                      |          |                      |                      |
| <b><u>EXPENSES :</u></b>                    |          |                      |                      |
| Electrical Inspection Charges               |          | 14,727.00            | 14,727.00            |
| Insurance (Wind Mill) Repairs & Maintenance |          | 124,896.00           | 126,715.00           |
|   |          | 2,436,631.00         | 2,707,617.00         |
| <b>TOTAL :</b>                              |          | <b>2,576,254.00</b>  | <b>2,849,059.00</b>  |
| <b>Note 28</b>                              |          |                      |                      |
| <b><u>SHARES</u></b>                        |          |                      |                      |
| <b><u>EXPENSES :</u></b>                    |          |                      |                      |
| Security Transaction Tax                    |          | 299,774.58           | 143,759.01           |
| Service Tax on Shares                       |          | 75,563.63            | 43,667.67            |
| Stamping Charges                            |          | 29,971.86            | 14,400.45            |
| Stock Holding Expenses                      |          | 80,862.15            | 15,732.68            |
| Transaction Charges                         |          | 9,672.40             | 4,684.78             |
| Share Expenses                              |          | 1,522.29             | 12,927.45            |
| SEBI Tax                                    |          | 476.77               | 56.08                |
| <b>TOTAL :</b>                              |          | <b>497,843.68</b>    | <b>235,228.12</b>    |
| <b>Note 29</b>                              |          |                      |                      |
| <b><u>EMPLOYEE</u></b>                      |          |                      |                      |
| <b><u>BENEFIT</u></b>                       |          |                      |                      |
| <b><u>EXPENSES :</u></b>                    |          |                      |                      |
| Bonus                                       |          | 779,067.00           | 888,133.00           |
| E. S. I. C.                                 |          | 242,972.00           | 241,825.00           |
| Exgratia                                    |          | 1,112,421.00         | 868,939.00           |
| Gratuity                                    |          | 776,029.00           | 126,390.00           |
| Incentive A/c.                              |          | 2,955,744.00         | 2,339,121.00         |
| Labour Welfare                              |          | 539,377.49           | 458,036.95           |
| Leave with Wages                            |          | 283,651.00           | 187,143.00           |
| Medical Expenses                            |          | 20,804.00            | 23,480.00            |
| Provident Fund                              |          | 926,286.00           | 665,326.00           |
| Salary and Wages                            |          | 14,297,737.00        | 12,616,935.00        |
| Salary To Director                          |          | 5,160,000.00         | 2,160,000.00         |
| <b>TOTAL :</b>                              |          | <b>27,094,088.49</b> | <b>20,575,328.95</b> |
| <b>Note 30</b>                              |          |                      |                      |
| <b><u>ADMINISTRATION</u></b>                |          |                      |                      |
| <b><u>EXPENSES :</u></b>                    |          |                      |                      |
| Profession Tax                              | 5,000.00 |                      | 5,000.00             |

|   |              |                      |              |                      |
|---|--------------|----------------------|--------------|----------------------|
| Bank Charges                                      | 597,365.22   |                      | 387,346.11   |                      |
| Books and Periodicals                             | 7,858.00     |                      | 21,237.00    |                      |
| Car Expenses                                      | 177,160.00   |                      | 234,655.50   |                      |
| Computer Software Expenses                        | 168,300.00   |                      | 268,634.00   |                      |
| Conveyance Expenses                               | 999,036.00   |                      | 879,017.00   |                      |
| Director Travelling Expenses                      | 1,438,628.33 |                      | 951,077.45   |                      |
| Donation  | 2,000.00     |                      | 6,700.00     |                      |
| Fixed Asset Written Off                           | 21,718.10    |                      | -            |                      |
| Insurance   | 382,694.00   |                      | 326,159.00   |                      |
| License Fees                                      | 42,000.00    |                      | 36,500.00    |                      |
| Membership Fees and Subscription                  | 112,318.00   |                      | 90,401.00    |                      |
| Office Expenses                                   | 322,900.90   |                      | 255,478.10   |                      |
| Postage & Telegram Expenses                       | 79,164.00    |                      | 97,693.00    |                      |
| Printing and Stationery                           | 314,447.15   |                      | 304,542.05   |                      |
| Rent, Rates and Taxes                             | 199,659.00   |                      | 173,881.00   |                      |
| Security Service Charges                          | 185,900.00   |                      | 169,000.00   |                      |
| Sundry Balances W/Off                             | 242,429.99   |                      | 135,803.93   |                      |
| Telephone Expenses                                | 650,624.26   |                      | 713,821.13   |                      |
| Traveling Expenses                                | 1,763,218.00 |                      | 1,768,470.00 |                      |
| VAT/CST Expenses                                  | 264,232.23   |                      | -            |                      |
| Club Expenses                                     | -            | 7,976,653.18         | 3,876.00     | 6,829,292.27         |
| <b>Payment to Directors</b>                       |              |                      |              |                      |
| - For Remuneration                                |              | 8,205,880.00         |              | 3,590,978.00         |
| <b>Payment to Auditors</b>                        |              |                      |              |                      |
| - For Audit                                       | 65,000.00    |                      | 65,000.00    |                      |
| - For Taxation                                    | -            |                      | -            |                      |
| - For Consultancy & Others                        | -            | 65,000.00            | -            | 65,000.00            |
| <b>TOTAL :</b>                                    |              | <b>16,247,533.18</b> |              | <b>10,485,270.27</b> |
| <b>Note 31</b>                                    |              |                      |              |                      |
| <b><u>SELLING AND DISTRIBUTION EXPENSES :</u></b> |              |                      |              |                      |
| Advertisement                                     |              | 1,814,451.95         |              | 1,990,262.00         |
| Carriage Outward                                  |              | 3,656,380.60         |              | 3,252,570.71         |
| Commission on Sales                               |              | 1,902,281.00         |              | 1,703,052.00         |
| Entertainment Expenses                            |              | 37,574.00            |              | 32,846.00            |
| Hospitality Expenses                              |              | 43,352.00            |              | 43,204.00            |
| Sales Promotion                                   |              | 75,915.77            |              | 128,580.43           |

|  |                      |                      |
|--|----------------------|----------------------|
| Sales Conference Expenses                                | 969,271.10           | -                    |
| Sales Promotion & Consultancy Charges                    | 478,714.00           | 355,175.00           |
| <b>TOTAL :</b>   | <b>8,977,940.42</b>  | <b>7,505,690.14</b>  |
| <b>Note 32</b>   |                      |                      |
| <b><u>OTHER EXPENSES :</u></b>                           |                      |                      |
| Cost Audit Fees  | 40,000.00            | 40,000.00            |
| Consultancy Fees   | 91,500.00            | 101,720.00           |
| Legal and Professional Expenses                          | 517,594.00           | 292,578.00           |
| Vat Audit Fees   | 32,500.00            | 30,000.00            |
| <b>TOTAL :</b>   | <b>681,594.00</b>    | <b>464,298.00</b>    |
| <b>Note 33</b>   |                      |                      |
| <b><u>FINANCE COST :</u></b>                             |                      |                      |
| Bank Interest  | 516,475.00           | 158,694.00           |
| Interest on Car Loan                                     | 250,067.34           | -                    |
| Interest   | 107,458.00           | 17,755.00            |
| Bank Interest (SIDBI)                                    | -                    | 145,142.00           |
| <b>TOTAL :</b>   | <b>874,000.34</b>    | <b>321,591.00</b>    |
| <b>Note 34</b>   |                      |                      |
| <b><u>DEPRECIATION &amp; AMORTISATION EXPENSES :</u></b> |                      |                      |
| Depreciation for the Year                                | 26,364,637.62        | 25,692,277.21        |
| <b>TOTAL :</b>   | <b>26,364,637.62</b> | <b>25,692,277.21</b> |
| <b>Note 35</b>   |                      |                      |
| <b><u>INCOME TAX EXPENSES :</u></b>                      |                      |                      |
| Current Year Income Tax Provision                        | 55,000,000.00        | 35,500,000.00        |
| Add : Tax for Distributed Profit                         | 5,114,820.00         | -                    |
| Add: Short Provision of Income Tax of Earlier Year       | 501,272.00           | -                    |
| Less : Excess provision of income Tax Earlier Year       | -                    | 89,945.00            |
| <b>TOTAL :</b>   | <b>60,616,092.00</b> | <b>35,410,055.00</b> |

|                                       |                |  |               |
|---------------------------------------|----------------|--|---------------|
| <b>Note 36</b>                        |                |  |               |
| <b><u>EARNING PER SHARE</u></b>       |                |  |               |
| (A) Profit for the Year               | 108,374,138.32 |  | 57,387,610.18 |
| (B) Weighted Average Number of Shares | 1844608.36     |  | 1,913,250.00  |
| <b>Basic Earnings Per Share</b>       | <b>58.75</b>   |  | <b>29.99</b>  |
| <b>Diluted Earnings per Share</b>     | <b>58.75</b>   |  | <b>29.99</b>  |

For Emkay Taps And Cutting Tools Ltd.

Sd/-

Ajayprakash Kanoria

**Chairman & Managing Director**

Sd/-

Mrs. Alka Kanoria

**Whole time Director**

**As Per My Report of Even Date Attached  
For M/s Vijay Agrawal & Company**

Chartered Accountant

FRN 138350W

**Sd/-**

Vijay Agrawal

**Partner**

**Membership No. 031863**

**Place : Nagpur**

**Dated : 05/09/2015**

**Note 41****Note 38****DIRECT TAXES**

The company during the year has earned a profit of Rs. 10, 83,74,138.32 . A provision of Rs. 5,50,00,000.00 for Income Tax has been made in the Books of Account.

**Note 39****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 40****RELATED PARTY DISCLOSURE****A. Key Management Persons :**

Mr. Ajay Prakash Kanoria  
Mrs. Alka Kanoria

**B. Relatives of Key Management Persons :**

Mrs. Snehalata Kanoria

**C. Related Parties**

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

**Details of Transactions with Above Parties**

| <b>Nature of Transaction</b>      | <b>Amount</b> |
|-----------------------------------|---------------|
| 1) Ajayprakash Kanoria            |               |
| Salary                            | 4,800,000.00  |
| Remuneration                      | 8,205,880.00  |
| 2) Alka Kanoria                   |               |
| Salary                            | 360,000.00    |
| 3) Snehalata Kanoria              |               |
| Interest                          | 15,000.00     |
| 4) Nagpur Tools Pvt. Ltd.         |               |
| Job Work Expenses                 | 41,815,810.00 |
| 5) Adishree Engineering Pvt. Ltd. |               |
| Job work Expenses                 | 3,010,214.00  |

**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 & Cutting Tools Private Limited**

As Per My Report of Even Date Attached

**For M/s. Vijay Agrawal & Company**

**Chartered Accountant**

FRN No. 138350w

Sd/-

Ajayprakash Kanoria

**Chairman & Managing**

**Director**

Sd/-

Mrs. Alka Kanoria

**Whole time Director**

Sd/-

Vijay Agrawal

**Partner**

Membership No. 031863

**Place : Nagpur**

**Date : 05/09/2015**

**Note No : 12****FIXED ASSETS (TANGIBLE) :**

| PARTICULARS           | RATE OF DEP. | GROSS BLOCK              |                          |                                |                          | DEPRECIATION             |                              |                       |                          | NET BLOCK                |                          |
|-----------------------|--------------|--------------------------|--------------------------|--------------------------------|--------------------------|--------------------------|------------------------------|-----------------------|--------------------------|--------------------------|--------------------------|
|                       |              | BALANCE AS ON 01-04-2014 | ADDITION DURING THE YEAR | SALE/ TRANSFER DURING THE YEAR | BALANCE AS ON 31-03-2015 | BALANCE AS ON 01-04-2014 | DEPRECIATION DURING THE YEAR | DEPRECIATION REVERSED | BALANCE AS ON 31-03-2015 | BALANCE AS ON 31-03-2015 | BALANCE AS ON 31-03-2014 |
| Land                  | 0.00%        | 1,350,000.00             | -                        | -                              | 1,350,000.00             | -                        | -                            | -                     | -                        | 1,350,000.00             | 1,350,000.00             |
| Land & Building No. 2 | 9.50%        | 4,600,257.56             | -                        | -                              | 4,600,257.56             | 2,333,936.64             | 67,006.67                    | -                     | 2,400,943.31             | 2,199,314.25             | 2,266,320.92             |
| Furniture & Fixture   | 25.89%       | 1,643,009.75             | 17,252.25                | 9,617.00                       | 1,650,645.00             | 1,352,828.20             | 171,083.75                   | 9,309.12              | 1,514,602.83             | 136,042.17               | 290,181.55               |
| Mobile Phone          | 63.16%       | 355,791.68               | 74,964.25                | -                              | 430,755.93               | 183,242.28               | 158,427.94                   | -                     | 341,670.22               | 89,085.71                | 172,549.40               |
| Office Equipments     | 45.07%       | 1,404,260.67             | 426,702.60               | 55,240.00                      | 1,775,723.27             | 768,744.59               | 599,141.61                   | 51,090.31             | 1,316,795.89             | 458,927.38               | 635,516.08               |
| Plant & Machinery     | 18.10%       | 130,229,043.42           | 4,268,328.15             | -                              | 134,497,371.57           | 58,919,978.41            | 21,898,209.16                | -                     | 80,818,187.57            | 53,679,184.00            | 71,309,065.01            |
| Generator             | 18.10%       | 897,150.00               | -                        | -                              | 897,150.00               | 787,160.12               | 57,273.18                    | -                     | 844,433.30               | 52,716.70                | 109,989.88               |
| Compressors           | 18.10%       | 1,270,584.41             | -                        | -                              | 1,270,584.41             | 611,285.43               | 187,070.96                   | -                     | 798,356.39               | 472,228.02               | 659,298.98               |
| Transformers          | 18.10%       | 51,000.00                | -                        | -                              | 51,000.00                | 46,136.77                | 2,313.23                     | -                     | 48,450.00                | 2,550.00                 | 4,863.23                 |
| Air Conditioners      | 18.10%       | 1,551,509.05             | -                        | -                              | 1,551,509.05             | 832,426.40               | 240,263.87                   | -                     | 1,072,690.27             | 478,818.78               | 719,082.65               |
| Computers             | 63.16%       | 3,654,072.11             | 417,235.10               | 236,573.00                     | 3,834,734.21             | 3,033,410.24             | 485,587.69                   | 235,644.20            | 3,283,353.73             | 551,380.48               | 620,661.87               |
| Computer Software     | 63.16%       | 590,000.00               | -                        | -                              | 590,000.00               | 524,094.47               | 36,405.53                    | -                     | 560,500.00               | 29,500.00                | 65,905.53                |

|  |        |                       |                      |                     |                       |                       |                      |                     |                       |                       |                       |
|--|--------|-----------------------|----------------------|---------------------|-----------------------|-----------------------|----------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Inspection Equipment's                           | 18.10% | 2,749,334.00          | 53,415.12            | 207,969.93          | 2,594,779.19          | 865,035.95            | 461,417.79           | 193,350.03          | 1,133,103.71          | 1,461,675.48          | 1,884,298.05          |
| Electricals Installations                        | 25.89% | 1,564,929.97          | -                    | 24,643.00           | 1,540,286.97          | 1,195,180.12          | 234,503.04           | 22,980.60           | 1,406,702.56          | 133,584.41            | 369,749.85            |
| Fax Machine                                      | 18.10% | 108,046.00            | -                    | -                   | 108,046.00            | 93,558.33             | 7,309.70             | -                   | 100,868.03            | 7,177.97              | 14,487.67             |
| Building No. 1<br>Pollution Control<br>Equipment | 9.50%  | 9,954,445.09          | -                    | -                   | 9,954,445.09          | 6,873,891.03          | 107,632.41           | -                   | 6,981,523.44          | 2,972,921.65          | 3,080,554.06          |
| Motor Car  | 18.10% | 853,106.34            | -                    | -                   | 853,106.34            | 575,116.80            | 115,485.00           | -                   | 690,601.80            | 162,504.54            | 277,989.54            |
| Motor Cycle                                      | 31.23% | 4,878,344.00          | 4,845,469.00         | 555,831.00          | 9,167,982.00          | 2,839,923.68          | 1,926,942.66         | 517,982.53          | 4,248,883.81          | 4,919,098.19          | 2,038,420.32          |
|  | 25.89% | 81,605.00             | 57,853.00            | 53.00               | 139,405.00            | 52,963.59             | 19,972.28            | 53.00               | 72,882.87             | 66,522.13             | 28,641.41             |
| <b>TOTAL (A) :</b>                               |        | <b>167,786,489.05</b> | <b>10,161,219.47</b> | <b>1,089,926.93</b> | <b>176,857,781.59</b> | <b>81,888,913.05</b>  | <b>26,776,046.47</b> | <b>1,030,409.79</b> | <b>107,634,549.73</b> | <b>69,223,231.86</b>  | <b>85,897,576.00</b>  |
| <b><u>WIND MILL<br/>DIVISION :</u></b>           |        |                       |                      |                     |                       |                       |                      |                     |                       |                       |                       |
| Wind Mill [Mysore]                               | 12.73% | 61,290,546.00         | -                    | -                   | 61,290,546.00         | 38,735,371.49         | (1,049,331.93)       |                     | 37,686,039.56         | 23,604,506.44         | 22,555,174.51         |
| Wind Mill 2 [Rajasthan]                          | 12.73% | 82,800,000.00         | -                    | -                   | 82,800,000.00         | 40,263,070.67         | 637,923.08           |                     | 40,900,993.75         | 41,899,006.25         | 42,536,929.33         |
| 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<br>[Rajasthan]                 | 0.00%  | 3,200,000.00          | -                    | -                   | 3,200,000.00          | -                     | -                    |                     | -                     | 3,200,000.00          | 3,200,000.00          |
| <b>TOTAL (B) :</b>                               |        | <b>148,790,546.00</b> | <b>-</b>             | <b>-</b>            | <b>148,790,546.00</b> | <b>78,998,442.16</b>  | <b>(411,408.85)</b>  | <b>-</b>            | <b>78,587,033.31</b>  | <b>70,203,512.69</b>  | <b>69,792,103.84</b>  |
|  |        |                       |                      |                     |                       |                       |                      |                     |                       |                       |                       |
| <b>TOTAL (A+B) :</b>                             |        | <b>316,577,035.05</b> | <b>10,161,219.47</b> | <b>1,089,926.93</b> | <b>325,648,327.59</b> | <b>160,887,355.21</b> | <b>26,364,637.62</b> | <b>1,030,409.79</b> | <b>186,221,583.04</b> | <b>139,426,744.55</b> | <b>155,689,679.84</b> |
|  |        |                       |                      |                     |                       |                       |                      |                     |                       |                       |                       |
| <b>PREVIOUS YEAR :</b>                           |        | <b>315,419,680.50</b> | <b>1,157,354.55</b>  | <b>-</b>            | <b>316,577,035.05</b> | <b>135,195,078.00</b> | <b>25,692,277.21</b> | <b>-</b>            | <b>160,887,355.21</b> | <b>155,689,679.84</b> | <b>180,224,602.50</b> |



**Note 37**  
**SEGMENT REPORTING**

| Particulars   | 31-Mar-15      |               |               |                | 31-Mar-14      |               |                |                |
|---|----------------|---------------|---------------|----------------|----------------|---------------|----------------|----------------|
|   | Tools          | Power         | Others        | Total          | Tools          | Power         | Others         | Total          |
| Revenues  |                |               |               |                |                |               |                |                |
| Sales to External Customers                                     | 352,429,437.00 | 13,874,660.00 | 36,017,335.00 | 402,321,432.00 | 279,481,255.00 | 16,577,271.00 | 4,039,392.00   | 300,097,918.00 |
| Total Segmental Revenues  | 352,429,437.00 | 13,874,660.00 | 36,017,335.00 | 402,321,432.00 | 279,481,255.00 | 16,577,271.00 | 4,039,392.00   | 300,097,918.00 |
| Segmental Result  |                |               |               |                |                |               |                |                |
| Profit before Interest<br>(net of allocated corporate expenses) | 119,618,125.00 | 11,298,406.00 | 34,075,054.00 | 164,991,585.00 | 84,672,234.00  | 13,728,212.00 | (8,304,401.00) | 90,096,045.00  |
| Less: unallocated corporate expenses<br>(Net of Other Income)   |                |               |               |                |                |               |                |                |
| Operating Profit  | 119,618,125.00 | 11,298,406.00 | 34,075,054.00 | 164,991,585.00 | 84,672,234.00  | 13,728,212.00 | (8,304,401.00) | 90,096,045.00  |
| Interest (net of income)  | 874,000.00     | -             | -             | 874,000.00     | 321,591.00     | -             | -              | 321,591.00     |
| Profit before Tax   | 118,744,125.00 | 11,298,406.00 | 34,075,054.00 | 164,117,585.00 | 84,350,643.00  | 13,728,212.00 | (8,304,401.00) | 89,774,454.00  |
| <i>Provision for Tax</i>  |                |               |               |                |                |               |                |                |
| - Current Tax   |                |               |               | 60,616,092.00  |                |               |                | 35,410,055.00  |
| - Deferred Tax  |                |               |               | (4,872,645.00) |                |               |                | (3,023,211.00) |
| Profit from Ordinary Activities                                 | 118,744,125.00 | 11,298,406.00 | 34,075,054.00 | 108,374,138.00 | 84,350,643.00  | 13,728,212.00 | (8,304,401.00) | 57,387,610.00  |
| Extraordinary Items   |                |               |               | -              |                |               |                | -              |
| Net Profit  | 118,744,125.00 | 11,298,406.00 | 34,075,054.00 | 108,374,138.00 | 84,350,643.00  | 13,728,212.00 | (8,304,401.00) | 57,387,610.00  |

| Particulars   | 31-Mar-15      |               |                |                | 31-Mar-14      |               |                |                |
|---|----------------|---------------|----------------|----------------|----------------|---------------|----------------|----------------|
|   | Tools          | Power         | Others         | Total          | Tools          | Power         | Others         | Total          |
| Other Information   |                |               |                |                |                |               |                |                |
| Segmental Assets  | 279,759,899.00 | 72,628,212.00 | 316,435,501.00 | 668,823,612.00 | 257,772,012.00 | 71,768,546.00 | 251,741,153.00 | 581,281,711.00 |
| Unallocated Corporate Assets  | -              | -             | -              | -              | -              | -             | -              | -              |
| Total Assets  | 279,759,899.00 | 72,628,212.00 | 316,435,501.00 | 668,823,612.00 | 257,772,012.00 | 71,768,546.00 | 251,741,153.00 | 581,281,711.00 |
| Segmental Liabilities   | 72,096,791.00  | 74,904.00     | 596,651,917.00 | 668,823,612.00 | 55,980,359.00  | 74,904.00     | 525,226,448.03 | 581,281,711.03 |
| Unallocated Corporate Liabilities                                   | -              | -             | -              | -              | -              | -             | -              | -              |
| Total Liabilities   | 72,096,791.00  | 74,904.00     | 596,651,917.00 | 668,823,612.00 | 55,980,359.00  | 74,904.00     | 525,226,448.03 | 581,281,711.03 |
| Capital Expenditure during the year<br>(Including Movement in CWIP) | 10,161,219.00  | -             | -              | 10,161,219.00  | 1,157,355.00   | -             | -              | 1,157,355.00   |
| Depreciation  | 26,776,047.00  | (411,409.00)  | -              | 26,364,638.00  | 13,906,970.00  | 11,785,307.00 | -              | 25,692,277.00  |

## Notes :

1. The above Financials results have been arrived at after going through the Balance Sheet and Profit & Loss Account for the Company for the Year ending on 31st march 2015.
2. This segment report of M/s Emkay Taps & Cutting Tools Pvt. Ltd. is prepared in accordance to the Accounting Standard 17 - "Segment Reporting"
3. For the purpose of this reporting, Business Segment are considered as primary segments. Since the Company is operating from single location. There are no Geographical segments for the company

**ATTENDANCE SLIP**

**EMKAY TAPS AND CUTTING TOOLS LIMITED**

CIN: U29220MH1995PLC091091

Address of the registered office and contact details: Plot No B-27 and B-27/1, MIDC HINGNA, INDUSTRIAL ESTATE,  
NAGPUR-440016, Tel Ph.: 07104-237584

**DP ID Client ID**

**Registered Folio No.** \_\_\_\_\_

**No. of Shares** \_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I certify that I am a shareholder / proxy of the shareholder of the Company. I/We hereby record my/our presence at the **20<sup>th</sup> Annual General Meeting** of the Company being held on Tuesday, September 29, 2015 at 12:30 pm 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: U29220MH1995PLC091091

Name of the company: **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Registered office: B-27 7 B-27/1 M.I.D.C. Hingna,  
Industrial Estate, Nagpur-440016.  
Tel. No. 07104-237584  
**www.emkaytapsandtools.com**

**Name of the Member(s):**

**Registered Address:**

**Email id**

**Folio No/Client Id:**

**DP Id:**

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

1. Name:

Address:

Email Id:

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

2. Name:

Address:

Email Id:

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

3. Name:

Address:

Email Id:

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company, to be held on September 29, 2015 at The Registered Office of the Company at 12:00 pm and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

1. To consider and adopt the Audited financial statements of the Company for the year ended March 31, 2015 which includes the Balance Sheet as at March 31, 2015 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, 2015.
2. To consider re- appointment of Mr. Ajayprakash Kanoria (DIN: 00041279), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re- appointment;
3. 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 and other applicable provisions, if any, of the Companies Act, 2013, and rules made there under, the appointment of M/s. Vijay Agarwal & Co., Chartered Accountants, (FRN No. 138350W), who were appointed as Auditors of the company at the 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014, to hold office from conclusion of 19<sup>th</sup> AGM until conclusion of 24<sup>th</sup> AGM be and is hereby ratified and confirmed from the conclusion of 20<sup>th</sup> AGM till conclusion of 21<sup>st</sup> AGM on such remuneration as may be agreed upon between the Board of Directors in consultation with the Auditors.”

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

|                     |
|---------------------|
| Affix Revenue Stamp |
|---------------------|

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

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

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.



**Factory Premises & Registered office: B-27/B-27/1, M.I.D.C Hingna, Industrial Estate, Nagpur -440016**