



EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LIMITED

Corporate Identity Number: U29220MH1995PLC091091

Our Company was originally incorporated on July 27, 1995, as “Emkay Taps and Cutting Tools Private Limited” under the provisions of the Companies Act, 1956 with the RoC, Maharashtra, Mumbai. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on April 8, 2015 and the name of our Company was changed to “Emkay Taps and Cutting Tools Limited” vide a fresh Certificate of Incorporation dated April 24, 2015, issued by the RoC, Maharashtra, Mumbai. For details of the changes in our Name, Registered Office and other details, please see section titled “*History and Certain Corporate Matters*” on page 106 of the Draft Prospectus.

Registered Office: Plot No. B-27 and B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur – 440 016, Maharashtra, India

Tel. No.: +91 – 7104 – 237363 **Tele-Fax No.** +91 – 7104 – 237584

Email: investors@emkaytapsandtools.com, **Website:** www.emkaytapsandtools.com

Contact Person: Ms. Shruti R. Sohane (Company Secretary & Compliance Officer)

PROMOTERS OF OUR COMPANY: MR. AJAYPRAKASH KANORIA, MRS. ALKA KANORIA AND AJAYPRAKASH KANORIA HUF

THE ISSUE	
<p>PUBLIC ISSUE OF 4,71,200 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF EMKAY TAPS AND CUTTING TOOLS LIMITED (“OUR COMPANY” OR “THE ISSUER”) FOR CASH AT A PRICE OF ₹ 330.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 320.00 PER EQUITY SHARE) (“ISSUE PRICE”) THROUGH AN OFFER FOR SALE OF BY SELLING SHAREHOLDERS (AS DEFINED IN THE CHAPTER “DEFINITIONS AND ABBREVIATIONS”) AGGREGATING TO ₹ 1,554.96 LAKHS (“THE ISSUE”). OF THE ISSUE, 24,000 EQUITY SHARES AGGREGATING TO ₹ 79.20 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 4,47,200 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹ 330.00 PER EQUITY SHARE AGGREGATING TO ₹ 1,475.76 LAKHS IS HERINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.49% AND 25.14%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 191 OF THIS DRAFT PROSPECTUS.</p>	
<p>THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE IS ₹ 330.00. THE ISSUE PRICE IS 33.00 TIMES OF THE FACE VALUE.</p>	
<p>THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE “SEBI ICDR REGULATIONS”), AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “ISSUE PROCEDURE” BEGINNING ON PAGE 199 OF THIS DRAFT PROSPECTUS.</p>	
<p>Retail Individual Investors may participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”). However, investors other than Retail Individual Investors shall compulsorily participate through the ASBA process only providing details about the bank account which will be blocked by the SCSBs. In case of delay, in refund if any, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay. For further details, please refer to section titled “Issue Procedure” beginning on page 199 of this Draft Prospectus.</p>	
ELIGIBLE INVESTORS	
<p>For details in relation to Eligible Investors, please refer to section titled “<i>Issue Procedure</i>” beginning on page 199 of this Draft Prospectus.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹ 10.00 per equity share and the Issue Price is 33.00 times of the face value. The Issue Price (has been determined and justified by our Company and the Selling Shareholders in consultation with the Lead Manager as stated under the paragraph ‘<i>Basis for Issue Price</i>’ on page 56 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the “Risk Factors” carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled ‘Risk Factors’ beginning on page 13 of this Draft Prospectus.</p>	
ISSUER’S & SELLING SHAREHOLDER’S ABSOLUTE RESPONSIBILITY	
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility that this Draft Prospectus contains all information about such Selling Shareholder in the context of the Offer for Sale and further assumes responsibility for statements in relation to such Selling Shareholder included in this Draft Prospectus.</p>	
LISTING	
<p>The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited (“NSE”) (“NSE EMERGE”). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended, we are not required to obtain an in-principle listing approval for the shares being offered in the issue. However, our Company has received an in-principle approval letter dated [●] from NSE for using its name in the offer document for listing of our shares on the NSE EMERGE. For the purpose of the Issue, the Designated Stock Exchange will be the National Stock Exchange India of Limited.</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<p>HEM SECURITIES LIMITED 14/15, Khatau Building, 1st Floor, 40, Bank Street, Fort, Mumbai - 400 001, Maharashtra Tel. No.: +91 - 22 - 2267 1000/1543/1544 Fax No.: +91 - 22 - 2262 5991 Website: www.hemonline.com Email: ih@hemonline.com Investor Grievance Email: redressal@hemonline.com Contact Person: Mr. Mohit Baser / Ms. Krutika Korat SEBI Regn. No.: INM000010981</p>	<p>BIGSHARE SERVICES PRIVATE LIMITED E - 2/3, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072, Maharashtra Tel. No.: +91 - 22 – 4043 0200 Fax No.: +91 - 22 – 2847 5207 Website: www.bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Email: ipo@bigshareonline.com Contact Person: Mr. Ashok Shetty SEBI Regn. No.: INR000001385</p>
ISSUE PROGRAMME	
<p>ISSUE OPENS ON: [●]</p>	<p>ISSUE CLOSES ON: [●]</p>

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates/implies, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Conventional / General Terms

Term	Description
"Emkay Taps and Cutting Tools Limited" or "ETCTL" or "Emkay" or "We" or "us" or "our Company" or "the Issuer" or "the Company"	Unless the context otherwise requires, refers to Emkay Taps and Cutting Tools Limited, a Company incorporated under the Companies Act, 1956 vide a Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Mumbai.
"you", "your" or "yours"	Prospective investors in this Issue
Advisor to the Issuer	M/s. V. K. Surana & Co., V. C. A. Complex, Civil Lines, Nagpur - 440 001, Maharashtra
AOA / Articles / Articles of Association	Articles of Association of Emkay Taps and Cutting Tools Limited, as amended from time to time
Audit Committee	The Committee of the Board of Directors constituted as the Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Clause 52 of the SME Listing Agreement to be entered into with the NSE.
Bankers to our Company	Such Banks which are disclosed as Bankers to our Company in the chapter titled " General Information " beginning on page 37 of the Draft Prospectus.
Board of Directors/ the Board / our Board	The collective body of Directors of our Company or a duly constituted committee thereof.
Companies Act / Act	the Companies Act, 2013 and amendments thereto and the Companies Act, 1956, to the extent applicable
Depositories Act	The Depositories Act, 1996, as amended
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
Director(s)	The Director(s) of our Company.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10.00 each unless otherwise specified in the context thereof
Group Companies	Group companies shall mean companies, firms, ventures promoted by the Promoters of our Company irrespective of whether such entities are covered under Companies Act, or not and as disclosed in the section titled " Our Promoter Group and Group Entities " beginning on page 123 of this Draft Prospectus.
ISIN	International Securities Identification Number. In this case being ISIN INE332S01011
MoA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended till date
NRI/ Non-Resident Indian/Non Resident	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, each such term as defined under the FEMA (Deposit) Regulations, 2000, as amended.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate, in our case being M/s. KPRK & Associates, Chartered Accountants, Nagpur, Maharashtra, India
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoter/Promoters	Shall mean promoters of our Company i.e. Mr. Ajayprakash Kanoria, Mrs. Alka Kanoria and Ajayprakash Kanoria HUF
Promoter Group Companies	Persons and entities covered under Regulation 2(1)(zb) of the SEBI (ICDR) Regulations as enlisted in the section titled " Our Promoter Group and Group Entities " beginning on page 123

Term	Description
	of this Draft Prospectus.
Registered Office of our Company	Plot No. B-27 and B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur – 440 016, Maharashtra, India
RoC / Registrar of Companies	Registrar of Companies, Maharashtra, Mumbai, 100, Everest, Marine Drive, Mumbai - 400 002, Maharashtra, India
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI (ICDR) Regulations, 2009	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, including instructions and clarifications issued by SEBI from time to time.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
Statutory Auditors/ Auditor	The statutory auditor of our Company being M/s. Vijay Agrawal & Company, Chartered Accountants, Nagpur, Maharashtra, India

Issue Related Terms

Term	Description
Allot/ Allotment/ Allotted	Unless the context otherwise requires, issue/allotment of Equity Shares pursuant to the Issue to successful Applicants.
Allottee	An applicant to whom the Equity Shares are being / have been issued /allotted.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Applicant	Any prospective investor (including an ASBA Applicant) who makes an application pursuant to the terms of the Draft Prospectus and the Application Form.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which the Applicant shall make an application to subscribe to the Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all Applicants to make Application authorizing a SCSB to block the application amount in the ASBA Account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Applicants participating in the Issue.
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant.
ASBA Applicant	Prospective investor who apply through ASBA. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 Non- Retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
ASBA Application Form	The form, whether physical or electronic, used by an ASBA Applicant to make an application, which will be considered as the application for Allotment for purposes of the Draft Prospectus.
Bankers to the Issue/ Escrow Collection Bank(s)	The bank(s), which are clearing members and are registered with SEBI as Banker (s) to the Issue at which the Escrow Account for the Issue will be opened, in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be allotted as described in the section titled " Issue Procedure - Basis of Allotment " beginning on page 216 of the Draft Prospectus.
Business Day	Monday to Friday (except public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Company Secretary and Compliance Officer	Ms. Shruti R. Sohane

Term	Description
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depository / Depositories	Depository(ies) registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant/DP	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which the Escrow Collection Bank(s) and the SCSBs transfer the funds from the Escrow Accounts and the ASBA Accounts, respectively, to the Public Issue Account, or the Refund Account, as appropriate, after the Prospectus is filed with the ROC, following which the Board of Directors shall allot Equity Shares to successful Applicants in the Issue
Designated Market Maker	Hem Finlease Private Limited
Designated Stock Exchange	National Stock Exchange of India Limited (“NSE”) (SME Platform of NSE i.e. NSE EMERGE)
Draft Prospectus	The Draft Prospectus dated June 29, 2015 issued in accordance with section 32 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Draft Prospectus constitutes an invitation to subscribe for the Equity Shares on the basis of the terms thereof.
Escrow Account	Account opened with Escrow Collection Bank(s) for the Issue and in whose favour the Applicant (excluding the ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting an Application.
Escrow Agent	The Escrow Agent appointed pursuant to the Share Escrow Agreement, in this case [●]
Escrow Agreement	Agreement entered into on [●] amongst our Company, the Selling Shareholders, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof.
Equity Shares	Equity Shares of our Company of face value ₹ 10.00 each
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI.
Issue Agreement	The agreement entered into on May 14, 2015 among our Company, Selling Shareholders and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue.
Issue / Offer / Issue Size / Public Issue	The Public Issue of 4,71,200 Equity shares of face value ₹ 10.00 each of Emkay Taps and Cutting Tools Limited for cash at a price of ₹ 330.00 per Equity Share, including a share premium of ₹ 320.00 per equity share aggregating up to ₹ 1554.96 Lakhs through an Offer for Sale by the Selling Shareholders.
Issue Closing Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●].
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date

Term	Description
	notified in an English national newspaper, Hindi national newspaper and a Gujarati regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●].
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price / Offer Price	The price at which Equity Shares will be issued/offered and allotted by our Company i.e. ₹ 330.00 per Equity Share.
Issue Proceeds	Proceeds from the Offer for Sale
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of NSE i.e. NSE EMERGE
LM / Lead Manager	The Lead Manager for the Issue being Hem Securities Limited.
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE EMERGE. In our case, Hem Finlease Private Limited (SEBI Registration No. INB 23 12986 30, NSE Market Maker Registration No. 1296) is the sole Market Maker to the Issue.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 4,47,200 equity shares of face value ₹ 10.00 each of Emkay Taps and Cutting Tools Limited for cash at a price of ₹ 330.00 per Equity Share (the " <i>Issue Price</i> "), including a share premium of ₹ 320.00 per equity share aggregating up to ₹ 1475.76 Lakhs.
NIF/ National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non Institutional Applicant/Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIIs and who have applied for Equity Shares for an amount of more than ₹ 2,00,000.00 (but not including NRIs other than Eligible NRIs)
NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter X-B of the SEBI ICDR Regulations.
Offer for sale	Offer for Sale of 4,71,200 Equity Shares by Mr. Ajayprakash Kanoria, Mrs. Alka Kanoria, Ajayprakash Kanoria HUF and Nagpur Tools Private Limited together referred as the Selling Shareholders of face value of ₹ 10.00 each for cash at a price of ₹ 330.00 per Equity Share, including a share premium of ₹ 320.00 per equity share aggregating up to ₹ 1554.96 Lakhs.
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date.
Qualified Foreign Investor/QFIs	Non-resident investors other than SEBI registered FIIs or sub-accountants or SEBI registered FCVIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Refund Account	The account opened/to be opened with SEBI registered Banker to the Issue from which refunds, if any, of the whole or part of the Application Amount (excluding to the ASBA Applicants) shall be made to the Applicants.
Refund Bankers	The bank(s) which is a/are clearing member(s) and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being [●].

Term	Description
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, Direct Credit, RTGS, or ASBA process, as applicable.
Registrar/ Registrar to the Issue/RTI/RTA	Bigshare Services Private Limited, E - 2/3, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072, Maharashtra, India
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2009
Retail Individual Investors/RIIs	Individual Investors (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹ 2,00,000.00 in this Issue.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Regulation / SEBI (ICDR) Regulations / Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (PFUTP) Regulations / PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as the case may be.
Self Certified Syndicate Bank or SCSB	A Bank which is registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA including blocking of bank account, a list of which is available http://www.sebi.gov.in/pmd/scsb.pdf
Selling Shareholders	Mr. Ajayprakash Kanoria, Mrs. Alka Kanoria, Ajayprakash Kanoria HUF and Nagpur Tools Private Limited
Share Escrow Agreement	Agreement entered into on [●] amongst our Company, the Selling Shareholders, Lead Manager, and the Escrow Agent in connection with the transfer of the Equity Shares under offer for sale by the Selling Shareholders and credit of such equity shares to the Demat accounts of all allottees
Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat.
SME Exchange	SME Platform of the NSE i.e. NSE EMERGE
SME Platform	The SME Platform of NSE i.e. NSE EMERGE for listing equity shares offered under Chapter X-B of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange on September 27, 2011
Stock Exchange	National Stock Exchange of India Limited (“NSE”)
Underwriters	The Lead Manager who have underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated May 14, 2015 entered into amongst the Underwriters, our Company and the Selling Shareholders.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Days	All days except Sunday and any public holiday (except in relation to the Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business.

Technical and Industry Related Terms

Term	Description
R&D	Research and Development
ANSI	American National Standard Institute
AlTiN	Aluminium Titanium Nitride
B.A. Threads	British Association
BS	British Standard
C.I.	Cast Iron
CNC	Computer Numerical Control
DIN	Deutsches Institute Fur Normung
GBMS	Gardner Business Media Survey
GBI	Generation Based Incentive
GWEO	Global Wind Energy Outlook
HMC	Horizontal Machine Center
HSS	High Speed Steel
HSSE	High Speed Steel M35
HSS-M2	High Speed Steel M2
IS	International Standard
ISO	International Standard Organisation
JIS	Japanese Industrial Standard
KW	Kilo Watt
Mm	Millimetre
MW	Mega Watt
MT	Morse Taper
NIB	NIB Tap (M/c – machine Tap)
NUT	Nut Tap ((M/c – machine Tap)
NWEM	National Wind Energy Mission
PM	Power Metallurgy
Rc	RC- series
REC	Renewable Energy Certificate
SH. DIA-	Shank Diameter
S.G. iron	Spheroidal Graphite Iron
Si	System International
SQ-	Square Across Flat
STI	Screw Thread Inserts
T.L.-	Thread Length
TCH	Through Coolant Holes
TPI	Thread Per Inch
TR	Thread Relief
TW	Tera watt
UNC	Unified Coarse
UNF	Unified Fine
VMC	Vertical Machine Center
WTG	Wind Turbine Generators

Abbreviations

Term	Description
A/c	Account
ACMA	Automotive Component Manufacturers Association of India
ADB	Asian Development Bank
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
ASBA	Applications Supported by Blocked Amount
A.Y. / AY	Assessment Year
AoA	Articles of Association
ASBA	Application Supported by Blocked Amount



Term	Description
B.Com	Bachelor of Commerce
Bn	Billion
BPM	Business Process Management
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
C.A.	Chartered Accountant
CAGR	Compounded Annual Growth Rate
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSO	Central Statistical Office
CST	Central Sales Tax
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identification Number
ECS	Electronic Clearing System
EBIDTA	Earnings before Interest, Depreciation, Tax and Amortisation
EGM	Extraordinary General Meeting of the shareholders
EMDEs	Emerging Market and Developing Economies
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC	Employee's State Insurance Corporation
Fax	Facsimile
FDI	Foreign Direct Investment
FII(s)	Foreign Institutional Investor(s)
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FIPB	Foreign Investment Promotion Board
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the Regulations framed there under
Financial Year/ Fiscal/ F.Y./FY	The period of twelve (12) months ended on March 31 of that particular year.
FI's	Financial Institutions
FPI	Foreign Portfolio Investor
FTP	Foreign Trade Policy, 2009
FVCI	Foreign Venture Capital Investors
GDP	Gross Domestic Product
GEP	Global Economic Prospectus
GNFS	Goods and Non-Factor Services
GoI/Government	Government of India
GVA	Gross Value Added
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IIP	Index of Industrial Production
IMF	International Monetary Fund
IMTMA	Indian Machine Tool Manufacturers' Association
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee, the official currency of the Republic of India
IPO	Initial Public Offer
IRDA	Insurance Regulatory and Development Authority
I. T. Act	The Income Tax Act, 1961, as amended.
IT	Information Technology
IT Authorities	Income Tax Authorities



Term	Description
I. T. Rules	The Income Tax Rules, 1962, as amended, except as stated otherwise.
KYC	Know your customer
LM	Lead Manager
MICR	Magnetic Ink Character Recognition
MIDC/M.I.D.C	Maharashtra Industrial Development Corporation
Mn	Million
MNC	Multi National Company
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
N.A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
No./nos.	Number/Numbers
NOC	No Objection Certificate
NI Act	Negotiable Instruments Act, 1881
NRIs	Non Resident Indians
NRE Account	Non-Resident (External) Account
NRO Account	Non-Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange India Limited
OCB	Overseas Corporate Bodies
OECD	Organisation for Economic Co-operation and Development
p.a. / P.A.	Per annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PMI	Purchasing Managers' Index
PLR	Prime Lending Rate
PPP	Purchasing Power Parity
P/E Ratio	Price/Earnings Ratio
RBI	Reserve Bank of India
ROE	Return on Equity
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
₹	Indian Rupees, the official currency of the Republic of India
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts Regulations Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Sec.	Section
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TFT	Trade for Trade
TIN	Taxpayers Identification Number
U.K.	The United Kingdom
U.S.A. / United States / US / U. S.	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US\$/ \$	United States Dollar
VAT	Value added tax
VCF	Venture Capital Fund (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India
WEO	World Economic Outlook
WGP	World Gross Product

Term	Description
WPI	Wholesale Price Index
w.e.f.	With effect from
YoY	Year on Year

Notwithstanding the following:-

- (i) In the section titled '**Main Provisions of the Articles of Association**' beginning on page 224 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section.
- (ii) In the section titled '**Financial Information of the Company**' beginning on page 128 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
- (iii) In the Chapter titled "**Statement of Tax Benefits**" beginning on page 58 of the Draft Prospectus, defined terms shall have the same meaning given to such terms in that chapter.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY & MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" in the Draft Prospectus are to the Republic of India, together with its territories and possessions and all references to the "US", the "USA", the "United States" or the "U.S." are to the United States of America, together with its territories and possessions.

In the Draft Prospectus, the terms "we", "us", "our", the "Company", "our Company", "Emkay Taps and Cutting Tools Limited", "Emkay" and "ETCTL", unless the context otherwise indicates or implies, refers to Emkay Taps and Cutting Tools Limited. In the Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakh/Lacs" means "one hundred thousand", the word "million (mn)" means "ten lakh", the word "Crore" means "ten million" and the word "billion (bn)" means "one hundred crore". In the Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Use of Financial Data

Unless stated otherwise, the financial data in the Draft Prospectus is derived from our restated financial statements for the 10 months period ended January 31, 2015 and F.Y. ended as on March 31, 2014, 2013, 2012, 2011 and 2010. Our restated and financial statements are based on our audited financial statements respectively prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and are restated in accordance with the SEBI (ICDR) Regulations. Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal/financial year are to the twelve-month (12) period ended March 31 of that year.. Accordingly financial Information relating to us is presented on a Standalone and consolidated basis. In the Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and the International Financial Reporting Standards (IFRS). Accordingly, the degree to which the Indian GAAP restated financial information included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions, please refer to the section titled "*Definitions and Abbreviations*" beginning on page no. 1 of the Draft Prospectus. In the section entitled "*Main Provisions of the Articles of Association*" beginning on page 224 of the Draft Prospectus, defined terms have the meaning given to such terms in the Articles.

Use of Industry and Market data

Unless stated otherwise, the industry and market data and forecasts used throughout the Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. Further, the extent to which the industry and market data presented in the Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled "*Basis for Issue Price*" on page 56 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

**Currency of Financial Presentation and Exchange Rates**

All references to "Rupees" or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. Throughout the Draft Prospectus figures have been expressed in Lakhs/Lacs, Million and Crores. The word "Lakhs/Lacs" or "Lakh/Lac" means "One hundred thousand", "Million" means "Ten Lakhs" and "Crores" means "Ten Million".

Any percentage amounts, as set forth in "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" in the Draft Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

The Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2009. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

FORWARD LOOKING STATEMENTS

All statements contained in the Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans, objectives, goals and prospects are forward-looking statements. We have included statements in the Draft Prospectus which contain words or phrases such as "will", "aim", "is likely to result", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward-looking statements".

All forward looking statements involve known and unknown risks and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions or third party reports, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in India, in the markets in which we operate and in the local, regional, national and international economies;
2. Increased competition in sector/area/industry in which we operate;
3. Occurrence of natural disasters or calamities affecting the areas in which we have operations
4. Changes in laws and regulations relating to the industry/sector in which we operate;
5. Inability to control raw material cost and supply
6. Our ability to compete with and adapt to the technological advances;
7. Our ability to successfully implement strategy, growth and expansion plans;
8. Changes in political, economic and social conditions in India;
9. Changes in the foreign exchange control regulations, interest rates and tax laws in India;
10. Our ability to attract and retain qualified personnel;
11. Any adverse outcome in the legal proceedings in which we are and we may be involved.
12. Market fluctuations and industry dynamics beyond our control;
13. Conflicts of interest with affiliated companies, the promoter group and other related parties;
14. Contingent Liabilities, environmental problems and uninsured losses and
15. The performance of Financial Markets in India and Globally.

For a further discussion of factors that could cause our actual results to differ from our expectations and current plans, please refer to the sections titled "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on page 13, 78 and 158 respectively, of the Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements speak only as of the date of the Draft Prospectus. Neither our Company, our Directors and officers, the Lead Manager, the Underwriters, nor any of our respective affiliates or associates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until the final listing and commencement of trading of the Equity Shares allotted pursuant to the Issue on the Stock Exchanges.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in Equity involves a high degree of risk. Investors should carefully consider all the information in the Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. Any of the following risks as well as other risks and uncertainties discussed in the Draft Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in the Draft Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. Investors are advised to read this section in conjunction with the chapters titled “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 67, 78 & 158 of the Draft Prospectus.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In the Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “*Risk Factors*” on page 13 and “*Management Discussion and Analysis of Financial Condition and Results of Operations*” on page 158 of the Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Audited Financial Statements, as restated” prepared in accordance with the Indian Accounting Standards.

INTERNAL RISK FACTORS

1. ***Our Company is involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company.***

Our Company is involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. These proceedings are pending at different levels before various courts, tribunals, affiliate tribunals, enquiry officers, etc. For details of the same kindly refer to chapter titled “*Outstanding Litigation and Material Developments*” at page 167 of the Draft Prospectus.

A classification of the legal proceedings instituted against and/or by our Company, and the monetary amount involved, wherever quantifiable, in these cases is mentioned in brief below:

Nature of Cases	No. of Outstanding Cases	Amount Involved (₹)
Direct Tax	5	Not ascertainable
Indirect Tax	2	3,27,261.00

2. ***Our Company is dependent on one of our group Company for job work up to the initial stage of our manufacturing activities. Any delay in completion of manufacturing by the group Company may adversely affect our business.***

One of our group Company, Nagpur Tools Private Limited (“Nagpur Tools”) has been engaged by us for manufacturing our products up to the initial stage of manufacturing including parting, facing/centering, turning,

milling and heat treatment on job work basis. For further details of our manufacturing process, please refer to the Section titled “*Our Business*” on page 78 of the Draft Prospectus. Although our Company ensures timely delivery of products from Nagpur Tools in order to prevent any losses arising out of delays, however there is no assurance that there cannot be delays or damages in the products delivered by Nagpur Tools in future as well. Further, there are chances of discrepancies in the quality of products manufactured by Nagpur Tools. In such cases, we may have to incur financial and operational losses due to such delay or discrepancies in the products by Nagpur Tools.

3. ***Our Company procures its raw materials from a selected few suppliers for its raw material requirements. Any disruption in supply of raw materials from these suppliers will adversely affect our operations.***

Our Company is highly dependent on a selected few suppliers to meet its raw material requirements. We procure our major supply of raw materials from various International suppliers depending upon the price and quality of raw materials. However, our Top 5 supplier contributes significantly to supply of raw materials for the products manufactured by us. Any disruption of supply of raw materials from these major suppliers or our ability to procure raw materials from such suppliers at terms favorable to us will adversely affect our operations and financial cost. Loss of any one or more of our suppliers may adversely impact our production and eventually our profitability. The contributions of our top 5 suppliers to our total supplies are as follows:

Particulars	For the period April 01, 2014 to January 31, 2015	For the Financial year ended March 31, 2014	For the Financial year ended March 31, 2013
Purchase from Top 5 Suppliers (₹ in Lakhs) (Net of Tax)	439.19	483.84	698.00
% of Total Raw Material Purchase	90.34	91.83	97.84

4. ***Our business is substantially dependent on limited number of customers for a significant portion of our revenues. The loss of any significant clients or an adverse change in the customer relationship may have a material and adverse effect on our business and results of operations.***

Currently, our Company derives a significant portion of income from a limited number of customers. The percentage of sales derived from our Company’s top 5 customers is ₹ 590.97 Lacs which is approximately 20.46% of our total sales for the period April 1, 2014 to January 31, 2015. While we are constantly working to increase our customer base by following new marketing strategies and developing new products so as to enable us to reduce dependence limited number of customers, there is no assurance that we will be able to broaden our customer base in a particular time frame in future. Our business or results of operations could be adversely affected by a reduction in demand or change in preference for our product or cessation of our relationship with any such major customers. The details of sales derived from top 5 customers in recent periods are given below:

Particulars	For the period April 01, 2014 to January 31, 2015	For the Financial year ended March 31, 2014	For the Financial year ended March 31, 2013
Sales to Top 5 Customers (₹ In Lakhs) (Net of Taxes)	590.97	544.17	806.59
% of Total Sales	20.46	19.06	27.25

5. ***There can be a potential conflict of interest owing to common business objects between our Company and our group Companies.***

Our group Companies, Nagpur Tools Private Limited (“Nagpur Tools”) and Adishree Engineering Private Limited (“Adishree”), are engaged in the similar line of business as ours and having the same objects as our Company. As a result, conflicts of interests may arise in our Company and our group Companies in circumstances where our respective interests diverge. There is no assurance that in case of conflict, our Promoters will not favour our group Companies owing to their common interest in both the Companies. Any such present and future conflicts could result in material adverse effect on our reputation, business, result of operations, cash flows and financial condition.

6. ***Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies in the past and may continue to do so in future as well which may adversely affect our competitive edge and bargaining power and may involve a potential conflict of interest.***

Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies for job work, granting of loans & advances etc. Such related party transactions were entered into by our Company due to proximity with the related parties and the ability of quick execution of deals. While our Company believes that all such related party transactions have been undertaken at arm's length basis, it is difficult to determine whether we could have been able to obtain better and more favorable terms if such transactions were entered with unrelated parties. Our Company may enter into such transactions with related parties in future as well. We cannot assure that in such event there would be no adverse effect on the financial results of our Company. For details please refer to **Annexure N on Related Party Transactions** of the Auditor's Report under Section titled "**Financial Information of the Company**" beginning on page 151 and 128 of the Draft Prospectus.

7. ***We have not entered into any long term supply agreement for the major raw material required for manufacturing of our products. Also, volatility in the prices and non availability of this raw material may have an adverse impact on our business.***

HSS Steel is the key raw material used for the manufacturing of our products and constitutes approximately 90% of our total raw material cost. Our Company usually imports the HSS steel to fulfill our raw material requirements and has not entered into any contracts with our suppliers in this regard. In the absence of any long-term arrangement with our suppliers and in event of any unexpected price fluctuations after placement of orders, disruption in the supply of raw material in terms of requisite quantities, defects in quality or any factors beyond our control, our production schedule may also be adversely affected. In the event when our Company fails to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected.

In addition to the above, steel being the major raw material component, our business is also vulnerable to the risk of any increase or fluctuation in the global and national steel prices, which are determined by demand and supply conditions in the markets as well as the policies framed by the Government in this regard.

8. ***Our financial condition could be affected if any of the customers of the Company does not honor the payment terms, makes any delay or default in the outstanding payments.***

Our Company derives a significant portion of income from a limited number of customers. The percentage of sales derived from our company's top 5 customers is ₹ 590.97 Lacs which is approximately 20.46% of our total sales for the year period April 1, 2014 to January 31, 2015. Thus, we are exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. There is no guarantee that all or any of our customers will honor their outstanding amounts in time and whether they will be able to fulfill their obligations, due to any financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur from all or any of our major customer, our financial performance and our operating cash flows may be adversely affected.

9. ***One of our Group Company has incurred loss within the last three financial years.***

Our Group Company Adishree Engineering Private Limited had incurred loss in F.Y. 2011-2012 in the last three financial years details of which is set forth below:

Particulars			For the year ending March 31, 2014	For the year ending March 31, 2013	For the year ending March 31, 2012
Adishree Limited	Engineering	Private	7,59,971.22	28,03,348.90	(277,098.36)

10. *Our Company has experienced negative cash flows in previous years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions.*

The details of Cash flows of the Company are as follows:

(₹ in Lacs)

Particulars	For the period April 1, 2014 to January 31, 2015	For the year ended March 31,		
		2014	2013	2012
Net cash (used in) / from Operating Activities	687.81	784.25	823.13	907.41
Net cash (used in) / from Investing Activities	(287.17)	(779.23)	(360.60)	(685.32)
Net cash (used in) / from Financing Activities	(423.82)	(0.14)	(374.88)	(282.88)
Net increase/(decrease) in cash and cash equivalents	(23.18)	4.89	87.65	(60.79)

11. *Our Company has filed revised Annual Return with the Registrar of Companies (“ROC”), for the Financial Year ending 2013-14 in order to reflect appropriate position of shareholding of couple of shareholders.*

The Company has revised the annual return for the F.Y. 2013 -14 which now appropriately reflects shares in the name of Ajayprakash Kanoria HUF and Mrs. Alka Kanoria.

While the same is taken on record without any query for any year, however we may be subject to additional liability if any in future.

12. *Our Company is involved in the export of products manufactured by it to several foreign countries. As a result, we are subject to risks arising from exchange rate fluctuations.*

Our Company is involved in the export of products manufactured by it to several foreign countries. Export of such products helps us gain foreign exchange earnings and outgo in terms of FOB value of exports. This exposes our Company to the risk of fluctuations in exchange rate between the Indian Rupee and other foreign currencies. Such fluctuations in exchange rate are variable and may continue to fluctuate in future as well. Our Company may be affected to the extent of cost of goods rendered in foreign currency terms. Any significant and adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the profit margins of our Company.

13. *Strikes, Work Stoppages or increased Wage Demands by our employees or any other kind of disputes with our employees in future could adversely affect our business and results of operations.*

As on May 31, 2015, our Company had 63 full-time employees and 45 contracted labour including workers at our manufacturing unit and with an increase in our production capacities or execution of any expansion plans in future we expect increase in such number of employees. At present, we enjoy a good relationship with our employees and have not experienced any lockouts, strikes, unionization or any disruptions of such sort. However there can be no assurance that we may not experience any disruptions in our operations in future as well. In case of disputes or other problems with our work force such as strikes, work stoppages or increased wage demands, our business, financial conditions and results of operations may be materially and adversely affected.

14. *We are majorly dependent on our Chairman and Managing Director, Mr. Ajayprakash Kanoria for the success of our Company, given his expertise in strategic and investment decisions. His disassociation from our Company in future may adversely affect our business and our growth prospects.*

Our Chairman and Managing Director, Mr. Ajayprakash Kanoria is associated with our Company since its inception and he has been instrumental in the growth of our Company. As Managing Director of the Company, Mr. Ajayprakash Kanoria has been looking after all aspects of our Company in day to day operations. We rely majorly on Mr. Ajayprakash Kanoria for his expertise in strategic and investment decisions for our business. He provides us with unmatched proficiency in the day-to-day affairs of the Company including important financial and strategic decisions, which enables our Company to decide on present as well as future growth prospects. His disassociation from our Company may adversely affect our business. Our separation, if any, with our Mr. Ajayprakash Kanoria for any reasons whatsoever may adversely affect our business, results of operations and could seriously impair our ability to continue to manage and expand the business efficiently due to the of absence of the expert advice that we currently avail from Mr. Ajayprakash Kanoria.

15. ***We are highly dependent on our management team for our success. If we are unable to retain the services of our management team, particularly key managerial personnel, our business and our operating results could be adversely impacted.***

The success of our business largely depends on the continued services and efficiency of our management team, particularly key managerial personnel. As on date, our Company has limited human resources to oversee the specific organizational functions assigned to them. Their efficient performance enables our Company to carry out the business activities effectively. A limited human resource results in heavy reliability of our business on such key managerial personnel of the Company. The loss of our management team or key managerial personnel by way of disassociation or otherwise may materially and adversely impact our business, results of operations and financial condition. The failure or inability of our Company to retain and manage its key human resources would adversely affect our ability to implement new projects or execute any expansion plans in future.

16. ***Our Promoters have provided personal guarantees for the credit facilities availed by our Company from Bank of Maharashtra. In case of revocation, withdrawal or termination of such guarantees by the Promoters or change in the Promoters of the Company, our business, financial condition, results of operations, cash flows and future prospects may be adversely affected***

Our Promoters, Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria have provided personal guarantees for the credit facilities availed by our Company from Bank of Maharashtra. If any of these guarantees provided by our Promoters is revoked, withdrew or terminated, our lenders may require alternative guarantees, securities or collateral or cancel such facilities or entail repayment of amounts outstanding under such facilities. Further, in case our Company is not able to procure alternative guarantees or collateral security which is satisfactory to our lenders, we may need to repay outstanding amounts under such facilities or seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may adversely affect our operational flexibility and have a negative impact on the financial results and business of our Company.

17. ***Our products adhere to strict quality control requirements because of which we have gained the trust and confidence of our customers and our inability to maintain such quality standards on consistent basis could adversely impact our business, results of operations and financial condition***

Our Company is currently engaged in the manufacturing of HSS taps that adhere to high quality and precision. Success of our business depends upon quality of our products. We have gained the trust and confidence of our customers due to the emphasis placed by us on the quality of products manufactured by us. Any rapid change in our customers' expectation on account of changes in technology or introduction of new product or any other reason and failure on our part to comply with the design specifications of our customers or meet their quality expectations may lead to cancellation of the supply orders placed by our customers or non-renewal of contracts or reduction in the volume of orders given to us. This could adversely affect our business, results of operations and financial condition of the Company.

18. ***Major upsets or slowdown adversely affecting the automobiles and its ancillary industries can impact our business, results of operations, financial condition and cash flows.***

The products manufactured by our Company are majorly supplied to automobiles and its ancillary industries. Thus, the performance of our Company is heavily dependent on the performance and market trends of automobiles and its ancillary industries. For details of our Industry and products manufactured by us, please refer to the Section titled "**Industry Overview**" and "**Our Business**" on page 67 and 78 respectively of the Draft Prospectus. There exist a strong relationship between Machine Tool industry and automobiles and its ancillary industries. Performance of automobiles and its ancillary industries will affect the performance of machine tool industry which may affect our operation and may prove detrimental to our growth. Also, any economic slowdown in the automobile manufacturing and sales, both globally and in regions, in which we operate, may significantly affect our revenues and our growth prospects.

19. ***Our Company has only one manufacturing facility situated at Nagpur, Maharashtra and therefore any localized social unrest, natural disaster or breakdown of services or any other natural disaster could have material adverse effect on our business and financial condition.***

Our manufacturing facility is located at Plot No. B-27 and B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur – 440016, Maharashtra, India. As a result, any local social unrest, natural disaster or breakdown of services and

utilities in that area could have material adverse effect on the business, financial position and results of our operations. In addition to this, any breakdown or failure of equipment, power supply or processes, obsolescence, labour disputes, strikes, lock-outs, etc. may force us to shut our manufacturing facility for a significant period of time. Such instances that are beyond the control of our Company would have a material adverse effect on our earnings, our other results of operations and our financial condition as a whole.

20. *Our manufacturing activities are dependent upon availability of skilled and unskilled labour.*

Other than our permanent employees and except for the agreement our Company has entered with Khan Vyas Associates, Nagpur for supply of manpower at our manufacturing facility, we do not have any permanent arrangement of labour and recruitments are made on as per requirements. Our manufacturing activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations.

21. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.*

Our Company has availed credit facilities to the tune of ₹ 448.00 Lacs from Bank of Maharashtra. We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse affect on business, financial condition or results of operations. For further information on the **Financial Indebtedness** please refer to page 157 of the Draft Prospectus.

22. *Our business is subject to various operating risks at our factory, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.*

Our business operations are subject to operating risks, such as breakdown or failure of equipments used at our factory, interruption in power supply, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, industrial accidents, our inability to respond to technological advancements and emerging realty industry standards and practices along with the need to comply with the directives of relevant government authorities. The occurrence of these risks, if any, could significantly affect our operating results, and the slowdown / shutdown of business operations may have a material adverse affect on our business operations and financial conditions.

23. *Disruption in services of third party transport providers may affect our business operations*

Our Company is dependent on third-party transport providers for the supply of raw materials to our factory and delivery of our products to our customers. Any increase in oil prices, may lead to increase in transportation costs will result in an impact on profitability. Further, transport strikes by member of various Transport unions have taken place in the past and could take place in future that will affect supplies of raw material and deliver our products to our customers, which may cause adverse impact on our business.

24. *We will not receive any proceeds from the Offer for Sale portion.*

This Issue includes an Offer for Sale of 4,71,200 Equity Shares by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders in proportion of the Equity Shares offered by the Selling Shareholders in the Offer for Sale and we will not receive any proceeds from such Offer for Sale. For further details, refer to the Section titled “**Objects of the Issue**” on Page 54 of the Draft Prospectus.

25. *Our Company is required to obtain several statutory and regulatory permits, licenses and approvals to conduct our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition.*

Our Company requires certain statutory and regulatory registrations, licenses, permits and approvals for our business. For details, please see chapters titled “**Key Industry Regulations and Policies**” and “**Government and Other Approvals**” at pages 93 and 173 respectively of the Draft Prospectus. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material



adverse effect on our business, results of operations and financial condition. Further, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all.

26. *Our Promoters and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.*

Our Promoters and Directors may be deemed to have been interested in our Company to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their positions held in our Company, if any. Our Promoters and Directors are interested in the certain transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled “**Our Business**” and “**Our Promoters**”, beginning on page 78 and 119 respectively and the **Annexure – N** titled “**Related Party Transactions**” on page 151 of the Draft Prospectus.

27. *Our Company has installed state-of-the-art technologies imported from U.S. and Germany to manufacture quality products for our customers. Any technological advancement in future may render our current technologies obsolete or require us to make substantial capital investments.*

Modernization and technology up-gradation is essential to reduce costs and to survive in this cutting edge competition. Our Company has installed state-of-the-art technologies imported from U.S. and Germany to manufacture quality products for our customers. Although we strive to keep our technology and plant and machinery in line with the latest technological developments, we may be required to implement new technology or upgrade the machineries and other equipments in case of further advancements in the industry. Such upgradation in our technology and modernization of our plant and machineries in future will require us to make substantial capital outlay which could adversely affect our finances and operations.

28. *We have not independently verified certain data in the Draft Prospectus.*

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

These facts and statistics included in “**Summary of Industry**” and “**Industry Overview**” on pages 26 and 67 respectively of the Draft Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

29. *A disruption in the supply of utilities at our manufacturing unit due to reasons outside our control would disrupt our operation.*

All the manufacturing activities of our Company are carried out at our factory located at Plot No B-27 and B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur – 440016, Maharashtra, India. We utilize substantial amounts of power during the process of manufacturing. Any kind of shortage in the supply of such utilities, interruptions and/or disruptions in this regard, whether arising from controlled or uncontrolled elements, such as natural forces or governmental actions, will substantially affect our manufacturing process and in turn our operational and financial results. Although we have not experienced any such shortage, interruption and/or disruption in the utility supply since we began our operations, there is no assurance that such instances shall not arise in future, and thereby materially and adversely affect our business operations and financial performance.

Risks Related to Our Equity Shares and Equity Share Holders

30. *Our Promoters, together with our Promoter Group, will continue to retain majority shareholding in our Company after the proposed Initial Public Issue, which will allow them to exercise significant control over us. We cannot assure you that our Promoters and Promoter Group members will always act in the best interests of the Company.*

As on date of the Draft Prospectus, our Promoter and the members of our Promoter Group hold 99.96 % of the issued equity share capital of our Company. Following the offer made by the Selling Shareholders in the issue made through the Draft Prospectus, our Promoter and the members of our Promoter Group will hold 73.46% of the equity shares capital of our Company. Thus, a significant control of our Company will be at the discretion of our Promoters and members of the Promoter Group. As a result, our Promoter and members of our Promoter Group will have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it's in our Company's best interest. In addition, for so long as our Promoter and the members of our Promoter Group continue to exercise significant control over our Company they may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders. Our Promoter and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

For further details, please refer to the chapters titled "*Capital Structure*" and "*Our Promoter Group and Group Entities*" beginning on page 43 and 123 respectively, of the Draft Prospectus.

31. *Our Company may not regularly be in a position to distribute dividends in future and the same will be dependent upon the future earnings, cash flows, working capital requirements, capital expenditures and financial condition.*

Our Company's ability to declare dividend in future, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable laws in this regard and such other factors. There can be no assurance that we will pay dividends in future. Our Company may instead want to retain all the earnings to facilitate any major expansion or business development plans and, therefore, refrain from declaring any dividends on its Equity Shares. Also, if our Company suffers losses in any particular year, it could adversely affect our financial results and hence our Company may not be in a position to declare dividends in such events of losses in future.

32. *Any future issuance of Equity Shares may dilute your shareholdings, and sales of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.*

Any future equity issuances by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

33. *The potential investor or equity shareholders may be subject to Indian taxes arising out of capital gains on sale of Equity Shares.*

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian Company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. For more details, please refer to "*Statement of Tax Benefits*" on page 58 of the Draft Prospectus.

34. ***We cannot assure you that our Equity Shares will be listed on the SME Platform of National Stock Exchange of India Limited i.e. NSE Emerge in a timely manner or at all, which may restrict your ability to dispose of the Equity Shares.***

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of our Equity Shares issued. We have only applied to National Stock Exchange of India Limited to use its name as the Stock Exchange in this Offer Document for listing our Equity Shares on the SME Platform of National Stock Exchange of India Limited i.e. NSE Emerge. Permission for listing of the Equity Shares will be granted only after the Equity Shares offered in this Issue have been allotted. Approval from National Stock Exchange of India Limited will require all relevant documents authorizing the issuing of the Equity Shares to be submitted to it. There could be a failure or delay in listing the Equity Shares on the SME Platform of National Stock Exchange of India Limited i.e. NSE Emerge. Further, certain procedural and regulatory requirements of SEBI and the Stock Exchange(s) are required to be completed before the Equity Shares are listed and trading commences. Trading in the Equity Shares is expected to commence within 12 Working Days from the Issue Closing Date. However, we cannot assure you that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose off your Equity Shares.

35. ***The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. Hem Finlease Private Limited is acting as Market Maker for the Equity Shares of our Company for this Initial Public Offer. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers, please refer to the section titled "**General Information – Details of the Market Making Arrangement for this Issue**" on page 40 of the Draft Prospectus.

36. ***There may be restrictions on daily movements in the price of our Equity Shares, which can adversely affect shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point of time.***

Subsequent to listing, our Company may be subject to a daily circuit breaker imposed on listed companies by the National Stock Exchange of India Limited, which does not allow transactions having crossed certain volatility limit in the price of its Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchange(s). The percentage limit on our Company's circuit breaker is set by the National Stock Exchange of India Limited based on certain factors such as the historical volatility in the price and trading volume of the Equity Shares. National Stock Exchange of India Limited is not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker, if imposed, would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure that the shareholders will be able to sell the Equity Shares at desired prices.

EXTERNAL RISK FACTORS

37. ***The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

38. ***Any changes in the regulatory framework could adversely affect our operations and growth prospects.***

Our Company is subject to various regulations and policies. For details see section titled “**Key Industry Regulations and Policies**” beginning on page 93 of the Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

39. ***Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. The extent and severity of these natural disasters and pandemics determines their impact on these economies. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or changes in exchange rates and controls, interest rates or social and ethnic instability and other political and economic developments affecting India.

40. ***Terrorist / Naxalite attacks / war / conflicts where we operate or where our clients and Customers are located could adversely affect the financial markets and adversely affect our business.***

Terrorist / Naxalite attacks and other acts of violence, war or conflicts, particularly those involving India, or another part of the world where we operate or may operate or our client may operate, may adversely affect Indian and worldwide financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. India has from time to time experienced social and civil unrest, terrorist attacks and hostilities with neighboring countries. Such social or civil unrest or hostilities could disrupt communications and adversely affect the economy of such countries. Such events could also create a perception that investments in companies such as ours involve a higher degree of risk than investments in companies in other countries. This, in turn, could have material adverse effect on the market for securities of such companies, including our Equity Shares. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business.

41. ***Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing to fund our growth on favourable terms or at all.

42. ***Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.***

The markets for securities bearing emerging market risks, such as risks relating to India, are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although

economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. Accordingly, the price and liquidity of the Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

43. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.***

According to the weekly statistical supplement released by the RBI, India's foreign exchange reserves totaled ₹ 22,433.3 Billion (US\$ Million 352474.4) as on May 29, 2015 (Source: RBI Website). A decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates, which could adversely affect our financial condition.

44. ***Currency exchange rate fluctuations may affect the value of the Equity Shares.***

The cross currency conversion rate has been volatile in recent years and it may fluctuate substantially in the future. Fluctuation of exchange rate between Indian rupee and other major currencies in the world may affect the value of your investment in our equity shares.

45. ***Companies operating in India are subject to a variety of central and state government taxes and surcharges. Any increases tax rates could adversely affect our business and results of operations.***

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example, a new direct tax code as well as new goods and services tax regime is expected to be introduced in the future, and the scope of the service tax is proposed to be enlarged. The statutory corporate income tax in India is 30.00% (exclusive of surcharge and Education cess). The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

46. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

47. ***Any change in the pace of economic activity in the world may have significant impact on India and thus our business.***

We currently majorly operate in Indian markets and our performance is directly correlated with growth of Indian economy. In the recent times India has seen significant Capital Inflows from the rest of world. These flows have been both direct into the industry as well as in the securities market and have had substantial impact on Indian economy. Moreover the happenings in the world today impact India more via international trade balance; banking relations and slowdown of capital flows. Any change in the pace of economic activity of the world similar to that of 2008 would have a profound impact on rate of growth of Indian economy impacting consumption, investment, and thus growth rate of economy. Our business, which is majorly dependent on investment demand of Indian corporates, would suffer if there is a negative change in pace and vice versa.

48. ***A third party could be prevented from acquiring control over us because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control over us. Consequently, even if a potential takeover would result in the purchase of the Equity Shares at a premium to their market price or would

otherwise be beneficial to our stakeholders, it is possible that such a takeover would not be attempted or consummated because of Indian takeover regulations.

49. Significant differences exist between Indian GAAP used throughout our financial information and other accounting principles, such as U.S. GAAP and IFRS, with which investors may be more familiar.

Our financial statements are currently prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and standards. Substantial differences exist between our Company's results of operations, cash flows and financial position in its financial statements prepared under Indian GAAP. In addition, if we were to prepare its financial statements in accordance with any other accounting principles, such as U.S. GAAP, its results of operations, cash flows and financial position may be substantially different. The significant accounting policies applied in the preparation of our Indian GAAP financial statements are set forth in the notes to the financial statements included in the Draft Prospectus. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between these accounting principles and those with which they may be more familiar.

Prominent Notes

1. This is an Initial Public Issue of 4,71,200 Equity Shares of face value of ₹ 10.00 each of Emkay Taps And Cutting Tools Limited ("our Company" or "the Issuer") for cash at a price of ₹ 330.00 per Equity Share (including a share premium of ₹ 320.00 per Equity Share) ("Issue Price") aggregating to ₹ 1,554.96 Lakhs ("The Issue") through an Offer for Sale of by Selling Shareholders (as defined in the Chapter "Definitions And Abbreviations"). Of the Issue, 24,000 Equity Shares aggregating to ₹ 79.20 Lakhs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Issue of 4,47,200 Equity Shares of face value of ₹ 10.00 each at an Issue Price of ₹ 330.00 per Equity Share aggregating to ₹ 1,475.76 lakhs is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 26.49% and 25.14%, respectively of the post issue paid up Equity Share capital of our Company. For further details, please refer to section titled "**Terms of the Issue**" beginning on page 191 of the Draft Prospectus.
2. This Issue is being made for at least 25% of the post- issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows:
 - a) Minimum fifty percent to retail individual investors; and
 - b) Remaining to other than retail individual investors; and
 - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.
3. The Net worth of our Company as on January 31, 2015 and March 31, 2014 were ₹ 5,560.55 Lakhs and ₹ 4,955.67 Lakhs respectively. For more information, see the section titled "**Financial Information of the Company**" beginning on page 128 of the Draft Prospectus.
4. The NAV/Book Value per Equity Share, based on Restated Financials of our Company as on January 31, 2015 and March 31, 2014 were ₹ 781.61 and ₹ 585.69 respectively. For more information, see the section titled "**Financial Information of the Company**" beginning on page 128 of the Draft Prospectus.

Net Asset Value per Share after considering bonus issue of 10,67,130 Equity Shares made on March 18, 2015 and net worth of the Company as on January 31, 2015 works out to ₹ 312.65.

5. The average cost of acquisition of Equity Shares by our Promoters is set out below:-

Name of our Promoters	Number of Equity Shares Held	Average Cost of Acquisitions (₹ per share)
Mr. Ajayprakash Kanoria	1,60,625	50.76
Mrs. Alka Kanoria	3,12,275	42.77
Ajayprakash Kanoria HUF	9,98,000	33.27

As certified by our Statutory Auditor vide their certificate dated June 01, 2015.

For Further details, please refer to “**Capital Structure**” on page 43 of the Draft Prospectus.

6. The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to section titled “**Financial Statements - Annexure N- Statement of Related Parties Transactions,**” on page no. 151.
7. No Group entities have any business or other interest in our Company, except as stated in section titled “**Financial Information of the Company and Annexure N - Statement of Related Parties Transactions, as Restated**” on 128, 151, and “**Our Promoter Group & Group Entities**” on page 123, and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
8. Our Company was originally incorporated on July 27, 1995, as “Emkay Taps and Cutting Tools Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra-Ordinary General Meeting of Members of the Company held on April 8, 2015 and the name of our Company was changed to “Emkay Taps and Cutting Tools Limited” vide a fresh Certificate of Incorporation dated April 24, 2015, issued by the Registrar of Companies, Maharashtra, Mumbai. For details of the changes in our Name and Registered Office, please see section titled “**History and Certain Corporate Matters**” on page 106 of the Draft Prospectus.
9. None of our Promoters, Promoter Group, Directors, their relatives and Selling Shareholder has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Draft Prospectus.
10. Our Company, Promoters, Directors, Promoter Group, Group entities and Selling Shareholder have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor have they been declared as wilful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
11. Investors are advised to see the paragraph titled “**Basis for Issue Price**” beginning on page 56 of the Draft Prospectus.
12. The Lead Manager, our Company and Selling Shareholder shall update the Draft Prospectus / Prospectus and keep the investors/ public informed of any material changes till listing of the Equity Shares offered in terms of the Draft Prospectus and commencement of trading.
13. Investors are free to contact the Lead Manager i.e. Hem Securities Limited for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
14. In the event of over-subscription, allotment shall be made as set out in paragraph titled “**Basis of Allotment**” beginning on page 216 of the Draft Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. National Stock Exchange of India. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our Company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of and to the extent of interests as disclosed under the chapter titled “**Our Management**” beginning at page 109 chapter titled “**Our Promoter Group & Group Entities**” beginning at page 123 and chapter titled “**Financial Information of the Company**” beginning at page 128 of the Draft Prospectus.
16. No loans and advances have been made to any person(s)/companies in which Directors are interested except as stated in the Auditors Report. For details, please see “**Financial Information of the Company**” beginning on page 128 of the Draft Prospectus.

SECTION III: INTRODUCTION

SUMMARY OF OUR INDUSTRY

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information of the Company” and related notes beginning on page 13 and page 128 respectively of the Draft Prospectus before deciding to invest in our Equity Shares.

MAKE IN INDIA

Make in India is a major new national programme of the Government of India designed to facilitate investment, faster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure in the country. The primary objective of this initiative is to attract investments from across the globe and strengthen India’s manufacturing sector. It is being led by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India. The Make in India programme is very important for the economic growth of India as it aims at utilising the existing Indian talent base, creating additional employment opportunities and empowering secondary and tertiary sector. The programme also aims at improving India’s rank on the Ease of Doing Business index by eliminating the unnecessary laws and regulations, making bureaucratic processes easier, making the government more transparent, responsive and accountable.

The focus of Make in India programme is on 25 sectors which include automobiles, aviation, chemicals, IT & BPM, pharmaceuticals, construction, defense, manufacturing, electrical machinery, food processing, textiles and garments, ports, leather, media and entertainment, wellness, mining, tourism and hospitality, railways, automobile components, renewable energy, biotechnology, space, thermal power, roads and highways and electronics systems.

The Make in India initiative, has become the largest and fastest growing government initiative ever with over 2.1 billion global impressions on social media and reached an overall fan base of over 3 million on its Facebook page, according to an official release issued in December 2014.

<http://www.ibef.org/economy/make-in-india>

OVERVIEW OF MACHINE TOOLS INDUSTRY

INTRODUCTION

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.

Industry Characteristics

- Highly heterogeneous
- High capital intensity

- Foreign direct investment is low though international trade is significant
- Continuous technological innovations
- Customer orientation rather than just product development

OUR COMPANY AND MACHINE TOOLS 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 is auto components. Most of these segments recorded robust growth in recent years.

The following chart indicates the contribution of user industry segments to the machine tool industry:

User Industry Segmentation	
Automotive	40%
Consumer Durables	20%
Engineering & Capital Goods	15%
Railways	10%
Defense	10%
Others	5%

Our Company manufactures HSS cutting tools and which are majorly served to automobile industry as auto component.

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. The demand for machines in India and turnover of auto component in India shows a strong coefficient of correlation at 0.69. Correlation coefficient ranges between -1 to +1, and correlation at 0.69 is considered as strong correlation between two sectors.

Auto component industry could not grow in the desired path during last three years due to slowdown in the economy. As per planned estimates demand for automobile components during FY14 is estimated at USD 60 but this was not realized owing to slowdown in the economy. By 2020 ACMA has projected the demand for auto components is likely to grow by USD 108-120 Bn, given the strong correlation between auto components and machine tools, demand for machine tools is likely to grow at a healthy rate.

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.

(Source: Indian Machine Tool Industry Vision Document & Perspective Plan 2010-2020, August 2010, by the Ministry of Heavy Industries & Public Enterprises)

www.imtma.in/

http://www.imtma.in/userfiles/file/auto_components2014.pdf

WINDMILL INDUSTRY

Renewable Energy in India

India's rapidly growing economy and expanding population make it hungry for electric power. In spite of significant capacity additions over the last 20 years, power supply struggles to keep up with demand. Electricity shortages are common, and a significant part of the population has no access to electricity at all. The EIA projects that India and China will account for about half of global energy demand growth through 2040, with India's energy demand growing at approximately 2.8% per year¹⁴. India's wind energy installations by July 2014 were 21,693 MW out of the total renewables capacity of 32,424 MW (excluding large hydro). Wind provided almost 67% of the total installed capacity of grid-connected renewables in the country. In 2011 the state run National Institute for Wind Energy reassessed India's wind power potential as 102,778 MW at 80 metres, up from the earlier estimate of approximate 49,130 MW at 50 metres at 2% land availability.

Market Developments

With the reintroduction of the original Accelerated Depreciation benefit in September 2014 (retroactive to 01 April 2014); the Indian market is set to see strong installation numbers starting in 2015. The other principle support mechanism called the Generation Based Incentive (GBI) was extended up to the end of 12th plan period i.e. 31 March 2017. The revised GBI scheme has a cap of INR 10 million (approximately €117,000) per MW between the 4th and 10th year of the project's operations. Budgetary allocation for GBI in the current fiscal year (2013-14) was INR 8 billion (approximately €94 million). The Renewable Energy Certificate (REC) scheme (1 REC = 1 MWh) began in February 2011. However, due to poor enforcement and monitoring of the RPO obligation, while the total volume of RECs being issued is increasing, the prices have been low, with a majority of RECs being sold at the floor price. About 10.12 million RECs had been issued by the REC Registry as of March 2014. This consisted of 9.9 million non-solar RECs. Wind power accounted for over 50% of the total accredited capacity of 4,548 MW under the REC Registry.

Annual wind installations fell from over 3GW in 2011 to 2.3GW in 2012 to 1.7GW in 2013. 2013 was one of the toughest years for the Indian wind industry since the economic recession of 2008. The industry has faced various challenges including the withdrawal of accelerated depreciation benefits, challenges in transmission, scheduling and forecasting, lack of an integrated energy plan among others which precipitated a significant drop in capacity additions. Though wind power accounted for over half of the registered generation capacity under the REC registry, making RECs a widely accepted instrument and a revenue stream for the project financing community remains a challenge in India, especially with the limited validity of five years of the REC certificates.

Source: Global Wind Energy Outlook, 2014

SUMMARY OF OUR BUSINESS

Overview

Our Company was originally incorporated on July 27, 1995 as a Private Limited Company under the name and style of 'Emkay Taps and Cutting Tools Private Limited' under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting held on April 08, 2015 and the name of our Company was changed to 'Emkay Taps and Cutting Tools Limited' vide a fresh Certificate dated April 24, 2015 issued by the Registrar of Companies, Maharashtra, Mumbai.

Our Company was incorporated with the main object to take over the business of a proprietorship concern carrying on business in the name of 'Emkay Tools'. Our Promoter Ajayprakash Kanoria HUF was the proprietor of Emkay Tools since which was carrying on business of manufacturing of various types of machine tools which were well received by the US markets. Thereafter, pursuant to an agreement dated April 1, 1996 entered between Ajayprakash Kanoria HUF, the then proprietor of Emkay Tools, and our Company, our Company took over the assets and liabilities of Emkay Tools as a going concern with all its rights and obligations with effect from April 01, 1996. The said agreement was approved by the Board of Directors of the Company in their meeting held on March 25, 1996.

Our Company sells its varied range of products under the registered brand name "EMKAY TOOLS". Our advancement in cutting tool designs and production have resulted in very high quality thread cutting taps, setting new standards in productivity and performance in taps.

Our Company has gained its customers' trust and support through total commitment to consistent technological advancement. Earlier, the manufacturing of taps was undertaken by our Company using machines with conventional technology. Eventually, with technological advancements in the industry, we upgraded our machines and equipments to state-of-the-art technology that are used by manufacturers the world over. These machines conform to the modern CNC technology. This latest technology is used throughout the manufacturing process for all applications for improved processes like Center less Grinding, Flute Grinding, Thread Grinding, Chamfer Grinding etc.

Also, over the years, major changes have occurred in various auto component materials. In line with these developments, it became necessary to come-up with suitable taps by making changes in the geometries and also raw material for taps. Thus, our Company is now having different designs for various types of taps for different materials. Our improved and précised designs are able to achieve better results in terms of CPC, Thread Finish, etc. Also, the improved designs with high wear resistant Coating, High Cobalt Steel, PM Steel, have provided better results in terms of Spindle Power Requirement, Thread Finish, Life Increase, bringing down CPC etc.

Promoters of our Company, Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria, have about 35 years and 25 years experience respectively in the field of manufacturing of thread tools and related products and have in-depth knowledge of the product and industry in which we operate

OUR COMPETITIVE STRENGTHS:

We consider that we have the following competitive strengths:

1. Single Product Company with total tapping solutions

Our Company is a Single Product Company that makes only threads tools. Therefore, we can concentrate on developing specific geometries for different applications. We stock and maintain large inventories of complete range of taps, thus enabling us to meet the client requirements in time. Over the years, we have developed a varied and diversified product base of thread cutting tools due to the introduction of innovative techniques and variations in the raw materials, designs, shapes, etc. The varieties of taps offered by us which, *inter alia*, include HI-Performance Thread Forming Taps, HI-Performance Spiral Fluted Taps, HI-Performance Spiral Pointed Taps, HI-Performance Taps for Cast Iron Tapping, HI-Performance Special Taps, PM Taps, Carbide Taps, Special Designed Roll Taps, Through Coolant Taps (T.C.H), Special Geometry "Spiral Fluted" Taps, Special Geometry "Spiral Pointed" Taps, Taps With Special Coatings among others are widely used in several critical auto components, ensuring the right product for each customer specific production requirement and timely deliveries has given us a competitive advantage in this high-precision industry.

2. Well Established Manufacturing Facility

We have the latest and one of the largest manufacturing facilities for HSS Taps in the country that is in line with the international manufacturing standards. In the past years, our Company has expanded our capacity and added several State-of-the-Art Machines for improved processes Like Center less Grinding, Flute Grinding, Thread Grinding, Chamfer Grinding and Inspection. We use the latest CNC Thread Grinding and Flute Grinding machines for manufacturing High Performance Taps. This has benefited our manufacturing process significantly in terms of reducing wastage and enabling us to demand a premium for our products. CNC machines normally require High Performance applications for maximum productivity and such application taps are a strong area of our Company.

3. Quality Assurance and Standards:

We believe in providing our customers the best possible quality. Quality standards followed right from the beginning were very stringent, and quality was very well appreciated by all our customers. We are very particular from usage of right quality of steel to following the right procedure for heat treatment. Meticulous attention is provided to the dimensions and geometries of the taps manufactured. Our dedicated efforts towards the quality of products, processes and inputs have helped us gain a competitive advantage over others. There are quality checks in place that prevent any defective material from reaching the customer. We believe that our quality products have earned us a goodwill from our customers, which has resulted in repeat orders from many of them. Our application taps are competing with well-known brands from Germany, Japan and other countries in quality.

4. Long Standing and Established relationships

Our client relationships are established over a period of time as a result of proper client servicing. Over the years with our customized services and solutions to clients we have successfully developed a strong and reliable brand image for our Company with our clients, which provide us a competitive edge over other competitor.

5. Experienced Management Team

Our Promoters have played a key role in developing our business and we benefit from their leadership and significant experience in engineering industry. Our experienced management and employees has successfully expanded our business through proper customization under the guidance of our Promoters and thereby increasing our revenues. Our Promoter Directors, Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria, both have about three decades of experience in field of marketing and manufacturing of machine tools & its related products and have in-depth knowledge of the products and industry in which we operate. Our Promoters are actively involved in our operations and bring to our Company their vision and leadership which we believe has been instrumental in sustaining our business operations. Our Company feels that the strength of any successful organization lies in the experience and guidance of its team leaders and staff alike.

OUR BUSINESS STRATEGY:

We intend to pursue the following principal strategies to leverage our competitive strengths and expand our business:

1. To continue expanding our business by including new products

We intend to explore opportunities to expand our operations by developing new products within our existing lines of business as well as selectively identifying opportunities to expand into new lines of business. Further expanding our business lines will help us to build on existing diversification of our business.

2. Increasing geographical coverage and customer base

Presently, we are based at Nagpur and have developed our reach through many cities throughout the country. Also, we have reached some international customers across the globe. Now, going forward, our Company plans to reach to other nearby markets and capitalize the growth in Investment climate and overall improvement in the business sentiments of the country.

3. To build-up a professional organization

As an organization we believe in transparency and commitment in our work among our work force and with our suppliers, customers, government authorities, banks, financial institutions etc. We have employed experienced persons for taking care of our day to day activities. We also consult with outside agencies on a case to case basis on technical and financial aspects of our business. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

4. Optimal Utilization of Resources

Our Company constantly endeavors to improve our production process, skill up gradation of workers, using latest technology in machineries to optimize the utilization of resources. We regularly analyze our existing raw material procurement and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

*For details of Location of our Business, Human Resources, Intellectual Property, Property, Insurance Details, Infrastructure & Utilities, Competition please refer to the chapter titled “**Our Business**” on page no. 78 of the Draft Prospectus.*

SUMMARY OF OUR FINANCIALS**RESTATED STATEMENT OF ASSETS AND LIABILITIES****ANNEXURE - 1****(Amt in ₹)**

Particulars	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
I. EQUITY AND LIABILITIES						
(1) Shareholder's Funds						
(a) Share Capital	7114200	8461200	8461200	8461200	8461200	8461200
(b) Reserve and Surplus	548941099	487106055	425508415	376343226	292889439	225245966
(2) Share Application money pending allotment	0	0	0	0	0	0
(3) Non-Current Liabilities						
(a) Long-term borrowings	1471564	474265	4047243	27056158	51944525	53630981
(b) Deferred tax liabilities (Net)	20744406	26933147	29956358	31727459	34329683	27811494
(c) Other Long Term Liabilities	0	0	0	0	0	0
(4) Current Liabilities						
(a) Short Term borrowings	0	18098049	14217420	26419675	24425950	23764974
(b) Trade Payable	24342608	14191176	14316911	18652638	6565819	39226580
(c) Other current liabilities	22047101	10654447	7591283	7667795	6947770	3500576
(d) Short term provisions	17763086	15363371	5632670	9848734	3521497	5682569
Total	642424064	581281711	509731500	506176886	429085883	387324340
II. Assets						
(1) Non-current assets						
(a) Fixed assets						
(i) Tangible assets	135715482	155689680	180224603	186965841	182830682	204144515
(ii) Intangible assets	0	0	0	0	0	0
(iii) Capital work-in-progress	0	0	0	0	0	0
(b) Non Current Investment	283867638	244030463	160555087	141012220	94645520	62467766
(c) Long term loans and advances	0	0	0	0	0	0
(d) Other non-current assets	1138445	1113445	1047795	983995	657165	586365
(2) Current assets						
(a) Inventories	101223484	81580824	75432993	71645025	52077727	42149383
(b) Trade receivable	95848492	74491527	69139827	78144756	72410948	49598101
(c) Cash and cash equivalents	12081542	14399900	13911265	5145956	11224948	19716736
(d) Short term Loans & Advances	12230255	9565471	9247166	22097434	15141903	8327511
(e) Other Current assets	318726	410402	172765	181659	96990	333964
Total	642424064	581281711	509731500	506176886	429085883	387324340

Note: The above statement should be read with the significant accounting policies and notes to restated statement of profit and loss account and restated cash flows statement as appearing in Annexure II, III and IV.

RESTATED STATEMENT OF PROFIT & LOSS**ANNEXURE - II**
(Amt in ₹)

Particulars	For the year ended					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Revenue from Operations:						
-Revenue from Sale of Products	304299470	297532413	309650845	346511876	280916420	187299654
-Other Operating Incomes	0	0	0	0	0	0
Net Revenue from operations	304299470	297532413	309650845	346511876	280916420	187299654
Other income	21073153	2565505	5562259	9999578	25215389	3583913
Total Revenue (A)	325372623	300097918	315213104	356511453	306131809	190883567
Expenses:						
Cost of Material, Stores Consumed & Packing Material	52669784	65744389	92132518	101954562	76486487	51698068
Change in inventories of finished goods, WIP, and Stock-in-Trade	(12542197)	(4210177)	(2537267)	(13410707)	(10425905)	(7732505)
Employees benefit expenses	22722352	20575329	18605756	14006591	12849707	9223535
Finance costs	762963	321591	2276668	5393553	7228109	4775031
Depreciation Amortization Expenses	29902518	25692277	28756429	27702558	30099025	11890771
Loss on sale of Fixed assets	0	0	0	0	0	0
Other Expenses	100079409	102200055	103940005	111640376	97528291	58320488
Total Expenses (B)	193594828	210323464	243174109	247286932	213765714	128175389
Profit before exceptional, extra ordinary item and tax (C = A - B)	131777794	89774454	72038995	109224521	92366095	62708178
Exceptional item (D)	0	0	0	0	0	0
Profit before extra ordinary item and tax (E = C - D)	131777794	89774454	72038995	109224521	92366095	62708178
Extraordinary item (F)	0	0	226183	2077046	(28424)	(5061)
Profit before tax (G = E + F)	131777794	89774454	72265178	111301567	92337671	62703117
Provision for Tax						
-Current Tax (Including Tax on Distributed Profit)	51114820	35500000	25300000	34848081	18000000	10500000
-Earlier Year Tax	501272	(89945)	(428911)	9850	176008	(275983)
-Deferred Tax Liability\ (Asset)	(6188741)	(3023211)	(1771101)	(2602224)	6518189	10562941
-MAT Credit Entitlement	0	0	0	(4407926)		0
Tax Expenses for the Year (H)	45427351	32386844	23099988	27847781	24694197	20786958
Restated profit after tax from continuing operations (I = G - H)	86350443	57387610	49165190	83453786	67643474	41916159
Discontinuing operation	0	0	0	0	0	0
Restated profit for the year	86350443	57387610	49165190	83453786	67643474	41916159
Balance brought forward from previous year	412393945	355006335	305841146	222387359	154743886	112827727
Less: Dividend & Tax thereon	0	0	0	0	0	0
Less: Bonus Issue	0	0	0	0	0	0
Less: Premium paid on Buy Back of Shares	0	0	0	0	0	0
Balance Carried to Balance Sheet	498744389	412393945	355006335	305841146	222387359	154743886

Note: The above statement should be read with the significant accounting policies and notes to restated statement of assets and liabilities and restated cash flows statement as appearing in Annexure I, III and IV.

RESTATED CASH FLOW STATEMENT**ANNEXURE - III**
(Amt in ₹)

Particulars	For the year ended					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Cash Flow From Operating Activities:						
Profit before tax	131777794	89774454	72265178	111301567	92337671	62703117
Adjustment for:						
Depreciation & Amortisation Expenses	29902518	25692277	28756429	27702558	30099025	11890771
Interest Paid	762963	321591	2276668	5393553	7228109	4775031
Interest Received / Other Non Operative Receipt (Dividend Received)	(21073153)	(2565505)	(5562259)	(9999578)	(25215389)	(3583913)
Operating Profit before Working Capital Changes	141370122	113222818	97736016	134398101	104449416	75785006
Movement in working capital						
Decrease / (Increase) in inventories	(19642661)	(6147831)	(3787968)	(19567298)	(9928344)	3747335
Decrease / (Increase) in trade receivable	(21356965)	(5351700)	9004929	(5733808)	(22812847)	(11262185)
Decrease / (Increase) in short term loans & advances	(2664784)	(318304)	12850267	(6955530)	(6814392)	36420938
Decrease / (Increase) in other current assets	91676	(237637)	8895	(84669)	236974	(13930)
Increase / (Decrease) in trade payable	10151432	(125734)	(4335727)	12086819	(32660761)	35686998
Increase / (Decrease) in other current liabilities	10048738	3063165	(76512)	720025	3447194	877853
Increase / (Decrease) in short term provisions	3045766	(233611)	211821	1540996	561034	1327263
Cash Generated from Operation	121043324	103871165	111611721	116404635	36478273	142569279
Taxes Paid (Net of Refunds)	(52262143)	(25445743)	(29298975)	(25663764)	(20898114)	(7476110)
Net Cash from Operating Activities	68781181	78425422	82312746	90740871	15580159	135093169
Cash Flow Used In Investing Activities:						
Fixed Asset Purchased (Net)	(9928320)	(1157355)	(22015190)	(31837717)	(8785193)	(138655677)
Interest Received / Other Non Operative Receipt (Including Subsidy Received)	21073153	6775535	5562259	9999578	25215389	3583913
Adjustment for:						
Long Term Loan & Advances	0	0	0	0	0	0
Non Current Investments	(39837175)	(83475376)	(19542867)	(46366700)	(32177754)	(30789973)
Non Current Assets	(25000)	(65650)	(63800)	(326830)	(70800)	(188200)
Net Cash flow used in Investing Activities	(28717342)	(77922846)	(36059599)	(68531669)	(15818357)	(166049937)
Cash Flow From Financing Activities:						
Proceeds from issue of shares	0	0	0	0	0	17306990
Payment on Buy Back of Share Capital	(25862400)	0	0	0	0	0
Proceeds from Short term borrowings	(18098049)	3880629	(12202255)	1993726	660976	983781
Proceeds from Long term borrowings	2341215	(3572978)	(23008915)	(24888367)	(1686456)	14458416



Payment of Dividend and tax on it	0	0	0	0	0	0
Interest paid	(762963)	(321591)	(2276668)	(5393553)	(7228109)	(4775031)
Net Cash flow from Financing Activities	(42382197)	(13940)	(37487838)	(28288194)	(8253589)	27974156
Net Increase / (Decrease) in Cash & Cash Equivalents	(2318359)	488636	8765309	(6078992)	(8491788)	(2982612)
Cash & Cash Equivalents at the beginning of the year	14399900	13911265	5145956	11224948	19716736	22699347
Cash & Cash Equivalents at the end of the year	12081542	14399900	13911265	5145956	11224948	19716736

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
3. The above statement should be read with the significant accounting policies and notes to restated statement of assets and liabilities and restated statement of profit and loss as appearing in Annexures I, II and IV

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS	
Equity Shares Offered thorough Offer for Sale[^]	4,71,200 Equity Shares having Face Value of ₹ 10.00 each for cash at a price of ₹ 330.00 per share aggregating to ₹ 1554.96 Lakhs
Issue Reserved for the Market Makers	24,000 Equity Shares of ₹ 10.00 each for cash at a price of ₹ 330.00 per share aggregating ₹ 79.20 Lakhs
Net Issue to the Public*	4,47,200 Equity Shares of ₹ 10.00 each for cash at a price of ₹ 330.00 per share aggregating ₹ 1475.76 Lakhs
	of which
	2,23,600 Equity Shares of ₹ 10.00 each at a premium of ₹ 320.00 per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lakhs
	2,23,600 Equity Shares of ₹ 10.00 each at a premium of ₹ 320.00 per Equity Share will be available for allocation for allotment to Other than Retail Individual Investors of above ₹ 2.00 Lakhs
Equity Shares outstanding prior to the Issue	17,78,550 Equity Shares of face value of ₹ 10.00 each
Equity Shares outstanding after the Issue	17,78,550 Equity Shares of face value of ₹ 10.00 each
Objects of the Issue	Please see the chapter titled “Objects of the Issue” on page 54 of the Draft Prospectus. Our Company will not receive any proceeds from the Offer for Sale.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time for at least 25% of the post- issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957 as amended.

For further details please refer to **“Issue Structure”** on page 196 of the Draft Prospectus.

*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ is the net offer to the public category shall be made as follows:

- Minimum fifty percent to retail individual investors; and
- Remaining to other than Retail Individual Investors

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

[^] Offer for sale by the following shareholders (“Selling Shareholders”)

Sr. No.	Name of Selling Shareholder	No. of Equity Shares
1.	Mr. Ajayprakash Kanoria	64,250
2.	Mrs. Alka Kanoria	1,24,910
3.	Ajayprakash Kanoria HUF	2,32,040
4.	Nagpur Tools Private Limited	50,000
	Total	4,71,200

GENERAL INFORMATION

Our Company was originally incorporated on July 27, 1995, as “Emkay Taps and Cutting Tools Private Limited” under the provisions of the Companies Act, 1956 with the RoC, Maharashtra, Mumbai. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on April 8, 2015 and the name of our Company was changed to “Emkay Taps and Cutting Tools Limited” vide a fresh Certificate of Incorporation dated April 24, 2015, issued by the RoC, Maharashtra, Mumbai.

Brief Company and Issue Information

Registered Office / Head Office / Factory Address	Plot No. B-27 and B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur – 440 016 Maharashtra, India Tel. No.: +91 – 7104 - 237363 Tele-Fax No. +91 – 7104 – 237584 Email: investors@emkaytapsandtools.com Website: www.emkaytapsandtools.com
Date of Incorporation	July 27, 1995
Corporate Identity Number	U29220MH1995PLC091091
Address of Registrar of Companies	Registrar of Companies, Maharashtra, Mumbai, 100, Everest, Marine Drive, Mumbai 400002, Maharashtra, India Tel. No.: +91 – 22 - 2281 2627, Fax No.: +91 – 22 - 2281 1977 Email: roc.mumbai@mca.gov.in
Designated Stock Exchange	NSE EMERGE (SME Platform of NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai - 400051, Maharashtra
Issue Programme	Issue Opens on : [●] Issue Closes on : [●]
Company Secretary & Compliance Officer	Plot No. B-27 and B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur – 440 016 Maharashtra, India Tel. No.: +91 – 7104 - 237363 Tele-Fax No. +91 – 7104 – 237584 Email: investors@emkaytapsandtools.com Website: www.emkaytapsandtools.com

Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post- Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Applicants.

For all issue related queries, and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

Board of Directors of our Company

Our Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Ajayprakash Kanoria	Managing Director	Kanoria Bhavan, Ghat Road, Nagpur – 440 018, Maharashtra, India	00041279
Mrs. Alka Kanoria	Whole-time Director	Kanoria Bhavan, Ghat Road, Nagpur – 440 018, Maharashtra, India	00041346
Mr. Rahul Bagdia	Non Executive Independent Director	Flat No. 204, Himalaya Enclave, Plot. No. 01, Shivaji Nagar, Nagpur – 440 010, Maharashtra, India	03068623
Mr. Mahesh Ishwardas Mor	Non Executive Independent Director	Mor Bunglow No. 3, Omkar Gaurav Complex, Hazari Pahad, Seminary Hills, Nagpur – 440 006 Maharashtra, India	07151767
Mr. Ravindra Ramesh Loiya	Non Executive Independent Director	Raj Bhavan, Loiya Marg, Kamptee, Nagpur – 441 002, Maharashtra, India	07158487

For further details of the Directors of our Company, please refer to the chapter titled “*Our Management*” on page 109 of the Draft Prospectus.

Details of Key Intermediaries pertaining to this Issue and Our Company:

Lead Manager of the Issue	Registrar to the Issue
HEM SECURITIES LIMITED 14/15, Khatau Building, 1 st Floor, 40, Bank Street, Fort, Mumbai - 400 001, Maharashtra Tel. No.: +91 - 22 – 2267 1000/1543/1544 Fax No.: +91 - 22 – 2262 5991 Website: www.hemonline.com Email: ib@hemonline.com Investor Grievance Email: redressal@hemonline.com Contact Person: Mr. Mohit Baser / Ms. Krutika Korat SEBI Regn. No.: INM000010981	BIGSHARE SERVICES PRIVATE LIMITED E-2/3, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072, Maharashtra Tel. No.: +91 - 22 – 4043 0200 Fax No.: +91 - 22 – 2847 5207 Website: www.bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Email: ipo@bigshareonline.com Contact Person: Mr. Ashok Shetty SEBI Regn. No.: INR000001385
Legal Advisor to the Issue	Bankers to the Company
KANGA & COMPANY ADVOCATES & SOLICITORS Readymoney Mansion, 43, Veer Nariman Road, Fort, Mumbai - 400 001, Maharashtra Tel. No.: +91 – 22 – 6623 0000, 2204 2288 Fax No.: +91 – 22 – 6633 96 56/57 Website: www.kangacompany.com Email: chetan.thakkar@kangacompany.com Contact Person: Mr. Chetan Thakkar	BANK OF MAHARASHTRA Sitabuldi Branch, Mahabank Building, Abyankar Road, Sitabuldi, Nagpur – 400 012, Maharashtra Tel. No.: +91 - 7104 – 2545 008/009 Fax No.: +91 - 7104 – 2545 011 Website: www.mahaconnect.in Email: brmgr5@mahabank.co.in bom5@mahabank.co.in Contact Person: Mr. T K Banerjee, Asst. Gen. Manager
Statutory Auditors of the Company	Peer Review Auditors*
M/S. VIJAY AGRAWAL & COMPANY CHARTERED ACCOUNTANTS A-14. Rajkamal Complex, Panchsheel Square, Dhantoli, Wardha Road, Nagpur – 440 012, Maharashtra Tel. No.: +91 - 712 – 2426 889 Email: vaca.ngp@gmail.com Contact Person: CA. Vijay Agrawal	M/S. KPRK & ASSOCIATES CHARTERED ACCOUNTANTS C-1, Garg Gokul Apartment, 156, Gokulpeth, Nagpur – 440 010, Maharashtra Tel. No.: +91 – 712 – 2540 804 Email: kprlca.sma@gmail.com Contact Person: CA. Swapnil Agrawal
Bankers to the Issue [Escrow Collection Bank & Refund Bank]	Advisor to the Issuer
[●]	M/S. V. K. SURANA & CO. V. C. A. Complex, Civil Lines, Nagpur - 440 001 Tel. No.: +91 – 712 – 6641 111 Fax. No.: +91 – 712 – 6641 122 Website: www.vksca.com Email: varun@vksca.com Contact Person: Mr. Varun Parakh

* M/s. KPRK & Associates, Chartered Accountants are appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR). The said auditors holds valid “Peer Review” certificate issued by ICAI.

Statement of Inter se allocation of responsibilities

Since Hem Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not required.

Self Certified Syndicate Banks (“SCSBs”)

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on www.sebi.gov.in/pmd/scsb.pdf. For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

Credit Rating

This being an Issue of Equity Shares, credit rating is not required for the Issue.

IPO Grading

Since the issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

Debenture Trustees

As this issue is not a debenture issue, the appointment of debenture trustees is not required.

Experts Opinion

Except for the reports in the section “*Financial Information of the Company*” and “*Statement of Tax Benefits*” on page 128 and page 58 of the Draft Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors and Statutory Auditor for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Appraising and Monitoring Agency

This Issue being an Issue through an Offer for sale the requirement of Appraising and Monitoring Agency is not applicable.

Withdrawal of the Issue

Our Company and/or the Selling Shareholders, in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company and/or the Selling Shareholders withdraw the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company and/or the Selling Shareholders. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company and/or the Selling Shareholders withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue/offer for sale of the Equity Shares, our Company and/or the Selling Shareholders will file a fresh draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

Underwriting

The Company, the Selling Shareholders and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten by the Lead Manager – Hem Securities Limited in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated May 14, 2015 entered into among the Company, the Selling Shareholders and Underwriter – Hem Securities Limited, the obligations of the Underwriter are subject to certain conditions specified therein. In the opinion of our Board of Directors the resources of the above mentioned Underwriters sufficient to enable them to discharge their underwriting obligation in full. The Underwriter are registered with SEBI under Section 12 (1) of the SEBI Act and registered as brokers with the NSE.

The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
Hem Securities Limited 203, Jaipur Tower, M. I. Road, Jaipur, Rajasthan Tel. No.: +91 – 141 – 2378 608, 2363 278 Fax No.: +91 - 141 – 5101 757 Website: www.hemonline.com Email: underwriter@hemonline.com Contact Person: Mr. Anil Bhargava SEBI Regn. No. INM000010981	4,71,200	1,554.96	100%

**Includes 24,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its OWN account in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended.*

Details of the Market Making Arrangement for this Issue

Our Company, the Lead Manager and the Market Maker have entered into Market Making Agreement dated May 14, 2015 with the following Market Maker, duly registered with NSE to fulfil the obligations of Market Making for this issue:

Name	Hem Finlease Private Limited
Correspondence Address	204, Jaipur Tower, M. I. Road, Jaipur, Rajasthan
Tel. No.	+91 – 141 – 4051000, 5108133
Fax No.	+91 – 141 – 5101 757
E-mail	hem@hemonline.com
Website	www.hemonline.com
Contact Person	Mr. Anil Bhargava
SEBI Registration No.	INB 23 12986 30
NSE Market Maker Registration No.	12986

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The minimum depth of the quote shall be ₹ 1,00,000.00 . However, the investors with holdings of value less than ₹ 1,00,000.00 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

- 3) In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Up to ₹ 20.00 Crore, as applicable in our case	25%	24%

- 4) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 5) There would not be more than 5 (five) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 6) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 7) The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 8) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 9) The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106 V of the SEBI (ICDR) Regulations, 2009, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.

The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

- 10) **Risk containment measures and monitoring for Market Makers:** NSE's SME Exchange will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- 11) **Punitive Action in case of default by Market Makers:** NSE's SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

12) **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250.00 Crores, the applicable price bands for the first day shall be:

- i In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the NSE EMERGE Platform.

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

13) *All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.*

CAPITAL STRUCTURE

The Share Capital of our Company as on the date of the Draft Prospectus is set forth below:

(₹ in Lakhs, except share data)

S. No.	Particulars	Aggregate Value at Face Value (₹)	Aggregate Value at Issue Price (₹)
A	Authorized Share Capital 20,00,000 Equity Shares having Face Value of ₹ 10.00 each	200.00	-
B	Issued, Subscribed & Paid-up Share Capital prior to the Issue 17,78,550 Equity Shares having Face Value of ₹ 10.00 each	177.86	-
C	Present Issue in terms of the Draft Prospectus Offer for sale of 4,71,200 Equity Shares having Face Value of ₹ 10.00 each at a Premium of ₹ 320.00 per share*	47.12	1554.96
	Which Comprises		
I.	Reservation for Market Maker portion 24,000 Equity Shares of ₹ 10.00 each at a premium of ₹ 320.00 per Equity Share	2.40	79.20
II.	Net Issue to the Public 4,47,200 Equity Shares of ₹ 10.00 each at a premium of ₹ 320.00 per Equity Share	44.72	1475.76
	of which		
	2,23,600 Equity Shares of ₹ 10.00 each at a premium of ₹ 320.00 per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lakhs	22.36	737.88
	2,23,600 Equity Shares of ₹ 10.00 each at a premium of ₹ 320.00 per Equity Share will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lakhs	22.36	737.88
D	Paid up Equity capital after the Issue 17,78,550 Equity Shares having Face Value of ₹ 10.00 each	177.86	-
E	Securities Premium Account Before the Issue After the Issue		420.41 [#] 420.41 [#]

*The Offer for sale by Mr. Ajayprakash Kanoria, Mrs. Alka Kanoria, Ajayprakash Kanoria HUF and Nagpur Tools Private Limited ("Selling Shareholders") for 4,71,200 Equity Shares has been authorized by their respective undertakings/Board resolution dated May 4, 2015.

[#]Difference of ₹58,980 in securities premium is on account of foreign exchange difference on allotment made to Mr. Peter Daniel Volkel in 1998, which was capitalised as securities premium instead of booking to profit & loss account.

Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

Classes of Shares

The Company has only one class of share capital i.e. Equity Shares of ₹ 10.00 each only.

Notes to Capital Structure**1. Details of Increase / Changes in Authorized Share Capital of our Company:**

Date of Meeting / Shareholders Approval	Details of Changes
Incorporation	Authorized Capital with ₹ 25,00,000.00 divided into in 2,50,000 Equity Shares of ₹ 10.00 each.
18.04.1998	Increase in Authorized Share Capital of the Company from ₹ 25,00,000.00 divided into 2,50,000 Equity Shares of ₹ 10.00 each to ₹ 50,00,000.00 divided into 5,00,000 Equity Shares of ₹ 10.00 each.
16.08.2008	Increase in Authorized Share Capital of the Company from ₹ 50,00,000.00 divided into 5,00,000 Equity Shares of ₹ 10.00 each to ₹ 1,00,00,000.00 divided into 10,00,000 Equity Shares of ₹ 10.00 each.

Date of Meeting / Shareholders Approval	Details of Changes
13.03.2015	Increase in Authorized Share Capital of the Company from ₹ 1,00,00,000.00 divided into 10,00,000 Equity Shares of ₹ 10.00 each to ₹ 2,00,00,000.00 divided into 20,00,000 Equity Shares of ₹ 10.00 each.

2. Equity Share Capital History of our Company:

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted / (Bought Back)	Cumulative No. of Equity Shares	Face Value (₹)	Issue Price/ Buy Back Price (₹)	Cumulative Securities Premium (₹)	Cumulative Paid-up Capital (₹)	Consideration	Nature of Issue and Category of Allottees
On Incorporation [#]	100	100	10.00	10.00	-	1,000.00	Cash	Subscription to MoA ^(I)
22.04.1996 [%]	2,00,000	2,00,100	10.00	-	-	20,01,000.00	Other than Cash	Further Allotment ^(II)
01.10.1996	49,900	2,50,000	10.00	10.00	-	25,00,000.00	Cash	Further Allotment ^(III)
19.05.1998	1,34,600	3,84,600	10.00	24.00	18,84,400	38,46,000.00	Cash	Further Allotment ^(IV)
29.09.2008	4,61,520	8,46,120	10.00	150.00	6,64,97,200	84,61,200.00	Cash	Rights Issue ^(V)
27.09.2014	(1,34,700)	7,11,420	10.00	192.00	4,19,81,800 [^]	71,14,200.00	Cash	Buy Back of Shares ^(VI)
18.03.2015	10,67,130	17,78,550	10.00	-	4,19,81,800 [^]	1,77,85,500.00	Bonus Issue	Bonus Issue ^(VII)

[#]The Allotment of Equity Shares to the Subscribers to the Memorandum of Association of the Company was made in the meeting of the Board of Directors of our Company on August 10, 1995.

[%]2,00,000 Equity shares were allotted to Ajayprakash Kanoria HUF on April 22, 1996 in consideration of taking over the proprietary business of Ajayprakash Kanoria HUF named "Emkay Tools" along with its all assets, liabilities, rights and obligations.

[^]Difference of ₹ 58,980 in securities premium is on account of foreign exchange difference on allotment made to Mr. Peter Daniel Volkel in 1998, which was capitalised as securities premium instead of booking to profit & loss account.

Notes:
I. The Subscribers to the Memorandum of Association of our Company were:

Names of Allottees	Number of Equity Shares
Mr. Ajayprakash Kanoria	90
Mr. Devprakash Kanoria	10
Total	100

II. Further Allotment of 2,00,000 Equity Shares to:

Names of Allottees	Number of Equity Shares
Ajayprakash Kanoria HUF	2,00,000
Total	2,00,000

III. Further Allotment of 49,900 Equity Shares to:

Names of Allottees	Number of Equity Shares
Mr. Devprakash Kanoria and Mrs. Pamela Kanoria	30,000
Mrs. Alka Kanoria	9,900
Mrs. Pamela Kanoria and Mr. Devprakash Kanoria	10,000
Total	49,900

IV. Further Allotment of 1,34,600 Equity Shares to :

Names of Allottees	Number of Equity Shares
Mr. Peter Daniel Volkel	1,34,600
Total	1,34,600

- V. The Company proposed Rights issue in the ratio of **1:1 (One Equity Share for every One Equity Share held)** on the record date i.e. August 16, 2008 (On record date the total outstanding Equity Shares of the Company stood at 3,84,600) and the rights were offered to all the existing shareholders. It was also resolved to retain extra subscription from the existing shareholders of the Company subject to ceiling of 20% of the right issue i.e. 76,920 additional equity shares from all the shareholders put together. Of the Equity Shareholders as on record date, Mr. Peter Daniel Volkel, V. S. Nasary HUF, Sanjay Gupta HUF, Mr. Rahim M. Khan, Mr. Ramkhilawan R. Gupta and Adishree Engineering Private Limited didn't apply for the Right Issue. Except Ajayprakash Kanoria HUF all remaining shareholders applied for more equity shares than their entitled shares under the rights issue. The offered but unsubscribed rights were then distributed to such Equity Shareholders who applied for more equity shares than their entitled shares in proportion of the additional shares applied for.

The details of Equity Shares applied and allotted (After offered but unsubscribed rights, 20% additional equity shares on subscription and rounding off) is as under:

Names of Allottees	Equity Shares held on record date	Equity Shares applied for	Equity Shares allotted
Mr. Ajayprakash Kanoria	90	40,000	25,020
Ajayprakash Kanoria HUF	1,99,200	2,39,040	2,39,040
Mrs. Alka Kanoria	49,910	1,46,666	1,14,090
Ms. Apoorvashree A. Kanoria	100	66,666	41,685
Nagpur Tools Private Limited	100	66,666	41,685
Total	2,49,400	5,59,038	4,61,520

VI. Buy back of 1,34,700 Equity Shares from:

Names of Allottees	Number of Equity Shares
Mr. Peter Daniel Volkel	1,34,600
V. S. Nasary HUF	100
Total	1,34,700

VII. Bonus Issue of 10,67,130 Equity Shares to in the ratio of 1.5 equity shares for every 1 equity share held:

Names of Allottees	Number of Equity Shares
Mr. Ajayprakash Kanoria	96,375
Ajayprakash Kanoria HUF	5,98,800
Mrs. Alka Kanoria	1,87,365
Mr. Rahim M. Khan	300
Mr. Ramkhilawan R. Gupta	150
Nagpur Tools Private Limited	1,83,840
Adishree Engineering Private Limited	150
Ms. Apoorvashree A. Kanoria	150
Total	10,67,130

3. Details of Allotment made in the last two years preceding the date of the Draft Prospectus:

Our Company has not made any allotment in last 2 (two) years preceding the date of the Draft Prospectus except bonus shares allotted by the Company on March 18, 2015 as per details given in sub point no. VII of Note No. 2 above.

4. Details of Equity Shares issued for consideration other than cash:

As on date of the Draft Prospectus, our Company has not issued and allotted any Equity Shares for consideration other than cash except for shares allotted on April 22, 1996 while taking over *Emkay Tools* which was proprietary concern of Ajayprakash Kanoria HUF along with its all assets, liabilities, rights, obligations and Bonus shares issued and allotted on



March 18, 2015 as mentioned in sub point no. II and VII of Note No. 2 above respectively. Brief details of the same are mentioned as under:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Reasons	Benefit accrued
22.04.1996	2,00,000	10.00	-	Takeover of Emkay Tools	Acquired control of all assets, rights and logo of Emkay Tools
18.03.2015	10,67,130	10.00	-	Bonus Shares	Widened Capital base of the Company.

Our Company has not issued any equity shares lower than the Issue Price during the preceding 1(One) year except the bonus issue stated above.

5. Capital Build Up in respect of shareholding of Our Promoters:

Date of Allotment/ Acquisition / Transfer of Fully Paid-up Shares	Consideration	Nature of Issue	No. of Equity Shares*	Face Value (₹)	Issue Price/ Acquisition Price**/ Transfer Price (₹)	% of Pre-issue paid up Equity Shares	% of Post-issue paid up Equity Shares
Mr. Ajayprakash Kanoria							
10.08.1995	Cash	Allotment on subscription	90	10.00	10.00	0.01	0.01
29.09.2008	Cash	Allotment	25,020	10.00	150.00	1.41	1.41
04.03.2009	Cash	Transfer	39,040	10.00	112.50	2.20	2.20
14.07.2010	Cash	Transfer	100	10.00	80.00	0.01	0.01
18.03.2015	Bonus Issue	Allotment	96,375	10.00	-	5.42	5.42
Total (A)			1,60,625			9.03	9.03
Ajayprakash Kanoria HUF							
22.04.1996	Other than Cash	Allotment	2,00,000	10.00	10.00	11.25	11.25
20.03.2002	Cash	Transfer	(5,000)	10.00	26.00	(0.28)	(0.28)
20.03.2002	Cash	Transfer	(10,000)	10.00	26.00	(0.56)	(0.56)
10.10.2005	Cash	Transfer	9,800	10.00	10.00	0.55	0.55
10.10.2005	Cash	Transfer	4,500	10.00	10.00	0.25	0.25
17.07.2008	Cash	Transfer	(100)	10.00	120.00	(0.01)	(0.01)
29.09.2008	Cash	Allotment	2,39,040	10.00	150.00	13.44	13.44
04.03.2009	Cash	Transfer	(39,040)	10.00	112.50	(2.20)	(2.20)
18.03.2015	Bonus Issue	Allotment	5,98,800	10.00	-	33.67	33.67
Total (B)			9,98,000			56.11	56.11
Mrs. Alka Kanoria							
01.10.1996	Cash	Allotment	9,900	10.00	10.00	0.56	0.56
02.02.2004	Cash	Transfer	10	10.00	13.50	0.001	0.001
02.02.2004	Cash	Transfer	15,000	10.00	13.50	0.84	0.84
02.02.2004	Cash	Transfer	15,000	10.00	13.50	0.84	0.84
02.02.2004	Cash	Transfer	10,000	10.00	13.50	0.56	0.56
29.09.2008	Cash	Allotment	1,14,090	10.00	150.00	6.41	6.41
04.03.2009	Cash	Transfer	(39,090)	10.00	112.50	(2.20)	(2.20)
18.03.2015	Bonus Issue	Allotment	1,87,365	10.00	-	10.53	10.53
Total (C)			3,12,275			17.56	17.56
Total no. of Equity Shares as on the date of Draft Prospectus (A+B+C)			14,70,900			82.7	82.7

*None of the shares has been pledged by our Promoters

** Acquisition price excludes stamp duty.

6. The average cost of acquisition of or subscription of shares by our promoters is set forth in the table below:

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Ajayprakash Kanoria	1,60,625	50.76
2.	Ajayprakash Kanoria HUF	9,98,000	33.27
3.	Mrs. Alka Kanoria	3,12,275	42.77

7. Details of the Pre and Post Issue Shareholding of our Promoters and Promoter Group is as below:

Name	Pre Issue		Post Issue	
	No. of Equity Shares	% of Pre Issue paid up Equity Shares	No. of Shares	% of Post Issue paid up Equity Shares
Promoters				
Mr. Ajayprakash Kanoria	1,60,625	9.03	96,375	5.42
Ajayprakash Kanoria HUF	9,98,000	56.11	7,65,960	43.07
Mrs. Alka Kanoria	3,12,275	17.56	1,87,365	10.53
Promoter Group				
Ms. Apoorvashree A. Kanoria	250	0.01	250	0.01
Adishree Engineering Private Limited	250	0.01	250	0.01
Nagpur Tools Private Limited	3,06,400	17.23	2,56,400	14.42
Total	17,77,800	99.96	1,306,600	73.46

8. Promoter's Contribution and Lock-in:

The following shares held by Promoter are locked-in as Promoter's Contribution:

Date of Allotment/ Acquisition of Fully Paid-up Shares	Nature of Issue & Consideration	No. of Equity Shares	Face Value (₹)	Issue Price / Consideration (₹ per share)	% of Pre-issue paid up Equity Shares	Source of Funds contributed	% of Post-issue paid up Equity Shares	Lock in period
Ajayprakash Kanoria HUF								
18.03.2015	Bonus Issue	3,75,000	10.00	-	21.08	Bonus Issue	21.08	3 years
Total		3,75,000			21.08		21.08	

All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

Our Promoter, Ajayprakash Kanoria HUF acting through Mr. Ajayprakash Kanoria, Karta, have by a written undertaking, consented to have 3,75,000 Equity Shares held by it to be locked in as Minimum Promoters Contribution for a period of 3 (three) years from the date of allotment in this Issue and will not be disposed/sold/transferred by the promoters during the period starting from the date of filing the Draft Prospectus with NSE EMERGE till the date of commencement of lock-in period as stated in the Draft Prospectus. The Equity Shares under the Promoter's contribution will constitute 21.08 % of our post-issue paid up share capital. The above Promoter have also consented that the Promoter's contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company.

Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
33(1)(a)(i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoters' contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. Hence Eligible
33(1)(a)(ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the	The minimum Promoters' contribution does consist of such Equity Shares. Hence Eligible



Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	
33(1)(b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoters' contribution does not consist of such Equity Shares. <u>Hence Eligible</u>
33(1)(c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	Our Company has not been formed by the conversion of a partnership firm into a company. Accordingly, the minimum Promoters' contribution does not consist of such Equity Shares. <u>Hence Eligible</u>
33(1)(d)	Specified securities pledged with any creditor.	Our Promoters has not Pledged any shares with any creditors. Accordingly, the minimum Promoters' contribution does not consist of such Equity Shares. <u>Hence Eligible</u>

Details of Share Capital Locked In For One Year

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire remaining pre-issue capital held by promoters and entire pre-issue capital held by persons other than promoters of our Company i.e. promoter group entities and public shareholders, except the shares offered for sale through the Issue constituting 9,32,350 Equity Shares shall be locked in for a period of 1(One) year from the date of allotment of Equity Shares in this Issue.

As on date all Equity Shares of our Company issued till date are in dematerialised form. These shares shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

- a) In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- b) In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
- c) Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

9. Our Shareholding pattern

The table below presents the current shareholding pattern of our Company as per clause 37 of the SME Equity Listing Agreement.

Category code	Category of shareholder	No. of shareholders	Total no. of shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	4	14,71,150	14,71,150	82.72	82.72	Nil	N.A.
(b)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(c)	Bodies Corporate	2	3,06,650	3,06,650	17.24	17.24	Nil	N.A.
(d)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(e)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
	Sub-Total (A)(1)	6	17,77,800	17,77,800	99.96	99.96	Nil	N.A.
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(b)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(d)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
	Sub-Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
	Total Promoters & Promoter group Share holding (A) = (A)(1)+(A)(2)	6	17,77,800	17,77,800	99.96	99.96	Nil	N.A.
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(b)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(c)	Central Government / State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(d)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(e)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(f)	Foreign Institutional	Nil	Nil	Nil	Nil	Nil	Nil	N.A.



Category code	Category of shareholder	No. of shareholders	Total no. of shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
	Investors							
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(h)	Nominated investors (as defined in Chapter XA of SEBI (ICDR) Regulations)	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(i)	Market Makers	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(h)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
	Sub-Total (B) (1)	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(2)	Non- institutions							
(a)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(b)	Individuals - i. Individual shareholders holding Nominal share capital up to ₹ 1.00 Lakh.	2	750	750	0.04	0.04	Nil	N.A.
	ii. Individual shareholders holding Nominal share capital in excess of ₹1.00 Lakh	0	Nil	Nil	Nil	Nil	Nil	N.A.
(c)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
	Sub-Total (B) (2)	2	750	750	0.04	0.04	Nil	N.A.
	Total Public Shareholding (B) = (B) (1) + (B) (2)	2	750	750	0.04	0.04	Nil	N.A.
	TOTAL (A) +(B)	8	17,78,550	17,78,550	100.00	100.00	Nil	N.A.
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
(a)	Promoters & Promoter Group	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
(b)	Public	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
	Total Shares held by Custodians and against which Depository Receipts have been issued (C)	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
	GRAND TOTAL (A)+(B)+(C)	8	17,78,550	17,78,550	100.00	100.00	Nil	N.A.



We have entered into tripartite agreement with NSDL & CDSL and have received the ISIN – INE332S01011. As on date the entire shareholding of our Company is in Demat form.

Our Company will file the shareholding pattern of our Company, in the format prescribed under Clause 37 of the Listing Agreement, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.

10. The largest 10 (Ten) Shareholders of our Company and their Shareholding is set forth below:-

As on the date of the Draft Prospectus, our Company has 8 (Eight) shareholders.

- (a) Our shareholders as on the date of filing of the Draft Prospectus and 10 days prior filing of the Draft Prospectus are as follows:

S. No.	Name of the Shareholders	No. of Shares	% of Pre-issue paid up Equity Shares
1.	Mr. Ajayprakash Kanoria	1,60,625	9.03
2.	Ajayprakash Kanoria HUF	9,98,000	56.11
3.	Mrs. Alka Kanoria	3,12,275	17.56
4.	Mr. Rahim M. Khan	500	0.03
5.	Mr. Ramkhilawan R. Gupta	250	0.01
6.	Nagpur Tools Private Limited	3,06,400	17.23
7.	Adishree Engineering Private Limited	250	0.01
8.	Ms. Apoorvashree A. Kanoria	250	0.01
	Total	17,78,550	100.00

- (b) Details of shareholders of our Company as on 2 (two) years prior to the date of filing of the Draft Prospectus, are as follows:

S. No.	Name of the Shareholders	No. of Shares	% of paid up Equity Shares as on date 2 years prior to the date of filing of the Draft Prospectus
1.	Mr. Ajayprakash Kanoria	64,250	7.59
2.	Ajayprakash Kanoria HUF	3,99,200	47.18
3.	Mrs. Alka Kanoria	1,24,910	14.76
4.	Mr. Rahim M. Khan	200	0.02
5.	Mr. Ramkhilawan R. Gupta	100	0.01
6.	Nagpur Tools Private Limited	1,22,560	14.48
7.	Adishree Engineering Private Limited	100	0.01
8.	Ms. Apoorvashree A. Kanoria	100	0.01
9.	Mr. Peter Daniel Volkel	1,34,600	15.91
10.	V.S. Nasary HUF	100	0.01
	Total	8,46,120	100.00

11. As on the date of the Draft Prospectus, the no public shareholders hold more than 1% of the Pre-Issue Paid-up Share Capital of our Company.
12. There has been no subscription to or sale or purchase of the securities of our Company within 3 (three) years preceding the date of filing of the Draft Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the Pre-Issue share capital of our Company Prospectus except 10,67,130 Equity shares were issued and allotted to our Promoter & Promoter Group on account of bonus on March 18, 2015 details of which is given in sub point no. VII of Note No. 2 above.
13. No Equity Share has purchased or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within 6 (six) months immediately preceding the date of filing of the Draft Prospectus except 10,67,130 Equity shares were issued and allotted to our Promoter & Promoter Group on account of bonus on March 18, 2015 details of which is given in sub point no. VII of Note No. 2 above.

14. Our Company has not made any issue of equity shares during the preceding 1 (one) year from the date of the Draft Prospectus except 10,67,130 Equity shares were issued and allotted to our Promoter & Promoter Group on account of bonus on March 18, 2015 details of which is given in sub point no. VII of Note No. 2 above.
15. None of our Promoter, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of 6 (six) months immediately preceding the date of filing of Draft Prospectus.
16. As on the date of filing of the Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
17. As on the date of the Draft Prospectus, the entire Issued, Subscribed and Paid-up Share Capital of our Company is fully paid up.
18. Since the entire issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
19. As on the date of the Draft Prospectus, none of the shares held by our Promoter / Promoter Group are subject to any pledge.
20. Neither, we nor our Promoters, Directors, Selling Shareholders and the LM to this Issue have entered into any buy back and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
21. The LM and their associates do not hold any Equity Shares in our Company as on the date of filing of Draft Prospectus.
22. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares offered have been listed or application moneys refunded on account of failure of Issue.
23. At present Our Company does not intend or propose to alter its capital structure for a period of 6 (six) months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
24. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
25. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
26. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and the Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
27. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
28. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.



29. Our Company shall comply with such disclosure and accounting norms as may be specified by stock exchange, SEBI and other regulatory authorities from time to time.
30. As on the date of the Draft Prospectus, we do not have any Employees Stock Option Scheme/Employees Stock Purchase Scheme.
31. We have 8 (Eight) Shareholders as on the date of filing of the Draft Prospectus.
32. Our Company has not made any allotment of Equity Shares pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.
33. Our Promoters and Promoter Group will not participate in this Issue except for the sale of Equity Shares offered by them for sale in the Issue.
34. This issue is being made through Fixed Price method.
35. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation except rights issue made in financial year 2008-09 details of which is given in sub point no. V of Note No. 2 above.
36. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
37. There are no safety net arrangements for this public issue.
38. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed. The Selling Shareholders shall not transfer their Equity Shares during the period commencing from submission of the Draft Prospectus with Stock Exchange until the final approval on Basis of Allotment has been obtained from the Stock Exchange for the Equity Shares Allotted/ to be Allotted pursuant to the Issue except for transfer the Equity Shares held by them to demat escrow account at least seven working days prior to Issue Opening Date or as mutually agreed between our Company, Selling Shareholder and the Lead Manager.
39. The details of equity shares being offered for sale are as follows:

Sr. No.	Name of Selling Shareholder	No. of Equity Shares
1.	Mr. Ajayprakash Kanoria	64,250
2.	Mrs. Alka Kanoria	1,24,910
3.	Ajayprakash Kanoria HUF	2,32,040
4.	Nagpur Tools Private Limited	50,000
Total		4,71,200

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The objects of the Issue are to achieve the benefits of listing the Equity Shares on the Stock Exchange and to carry out the sale of 4,71,200 Equity Shares of our Company by the Selling Shareholders at an Issue Price of ₹ 330.00 per Equity Share.

The listing of the Equity Shares will enhance our brand name enabling us to avail future growth opportunities. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company. Our Company will not receive any proceeds from the Issue.

Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

ISSUE EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ 48.00 Lakhs. The estimated issue related expenses include, among others, Issue management fees, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar's fees, depository fees and listing fees and Advisory fee. All expenses in relation to the Issue will be paid and shared by the Selling shareholders except listing fees and Advisory fee which will be paid by the Company.

In accordance with Section 28(3) of the Companies Act, 2013, the Selling Shareholders have authorized our Company to take all actions in respect of offer of sale for and on their behalf and they will reimburse our Company all expenses incurred by the Company on this matter. The break-up for the estimated Issue expenses are as follows:

(Amount ₹ in Lakhs)

Particulars	Expenses ¹	As a % of total expenses	As a % of Issue
Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses.	35.00	72.92	2.25
Printing & Stationery, Distribution, Postage etc.	3.00	6.25	0.19
Advertising and Marketing Expenses	2.00	4.17	0.13
Listing Fees ²	0.60	1.25	0.04
Advisory Fee ²	5.00	10.42	0.32
Regulatory Fees and expenses	2.40	5.00	0.15
Total estimated Issue Expenses	48.00	100.00	3.09

¹Excluding service tax

²To be borne only by our Company

MONITORING OF UTILIZATION OF FUNDS

Since the Issue is being made through an offer for sale our Company will not receive any proceeds from the Issue. Therefore our Company is not required to appoint a monitoring agency for the Issue.

BASIC TERMS OF THE ISSUE

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors of the Company passed at their meeting held on May 05, 2015. The Selling Shareholders have authorised the sale of their Equity Shares pursuant to the Issue as set out below:

Sr. No.	Name of Selling Shareholder	Date of Authorisation Letter	Number of Equity Shares offered for sale
1.	Mr. Ajayprakash Kanoria	May 04, 2015	64,250
2.	Mrs. Alka Kanoria	May 04, 2015	1,24,910
3.	Ajayprakash Kanoria HUF	May 04, 2015	2,32,040
4.	Nagpur Tools Private Limited	May 04, 2015	50,000
Total			4,71,200

Terms of the Issue

The Equity Shares, now being offered, are subject to the terms and conditions of the Draft Prospectus, Prospectus, Application form, Confirmation of Allocation Note ("CAN"), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, the Depositories Act, Stock Exchanges, RBI, ROC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009, notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

Face Value	Each Equity Share shall have the face value of ₹ 10.00 each.
Issue Price	Each Equity Share is being offered at a price of ₹ 330.00 each and is 33.00 times of Face Value.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 400 (Four Hundred) and the multiple of 400; subject to a minimum allotment of 400 Equity Shares to the successful applicants.
Terms of Payment	100% of the issue price of ₹ 330.00 per share shall be payable on Application. For more details please refer to page no. 209 of the Draft Prospectus.
Ranking of the Equity Shares	The Equity Shares being offered pursuant to this Issue shall be subject to the provisions of Companies Act, Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see " <i>Main Provisions of the Articles of Association</i> " on page 224 of the Draft Prospectus.

Minimum Subscription

In accordance with Regulation [106P] (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P] (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive subscription of 100% of the Issue including devolvement of Underwriters within 60 (Sixty) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under the Companies Act.

Further, In accordance with Regulation [106R] of SEBI ICDR Regulations, No allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

For further details, please refer to section titled "*Terms of the Issue*" beginning on page 191 of the Draft Prospectus.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "**Risk Factors**", details about our Company under the section "**Our Business**" and its financial statements under the section titled "**Financial Information of the Company**" beginning on page no. 13, page no. 78 and page no. 128 respectively of the Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company and the Selling Shareholders in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ 330.00 which is 33.00 times of the face value.

QUALITATIVE FACTORS

- Single Product Company with total tapping solutions
- Well Established Manufacturing Facility
- Quality Assurance and Standards
- Long Standing and Established relationships
- Experienced Management Team

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled "**Our Business**" beginning on page no. 78 of the Draft Prospectus.

QUANTITATIVE FACTORS

Information presented in this section is derived from our Company's restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings per share (EPS), as restated:

S. No	Period	Basic & Diluted (₹)	Weights
1.	F.Y. 2011-12	42.53	1
2.	F.Y. 2012-13	25.58	2
3.	F.Y. 2013-14	29.99	3
	Weighted Average	30.61	
	For 10 months period ended January 31, 2015*	46.49	

*Not annualized

Notes:

- i. The figures disclosed above are based on the restated financial statements of the Company.
- ii. The face value of each Equity Share is ₹10.00.
- iii. Earnings Per Share has been calculated in accordance with Accounting Standard 20 – "Earnings Per Share" issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

2. Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 330.00 :

S. No	Particulars	P/E Ratio
1.	P/E ratio based on the Basic & Diluted EPS, as restated for F.Y. 2013-14	11.00
2.	P/E ratio based on the Weighted Average EPS, as restated for F.Y. 2013-14	10.78

3. Return on Net Worth (RoNW)*

S. No	Period	RoNW (%)	Weights
1.	F.Y. 2011-12	21.69	1
2.	F.Y. 2012-13	11.33	2
3.	F.Y. 2013-14	11.58	3
	Weighted Average	13.18	
	For 10 months period ended January 31, 2015 [#]	15.53	

*Restated Profit after tax/Net Worth

Not annualized

4. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS

As the Issue consists only of an offer for sale by the Selling Shareholders, there will be no change in the net worth post-Issue.

5. Net Asset Value (NAV) per Equity Share :

Sr. No.	As at	NAV per Share (₹)
1.	March 31, 2012	454.79
2.	March 31, 2013	512.89
3.	March 31, 2014	585.69
4.	10 months period ended January 31, 2015 ^{1&2}	781.61
5.	NAV after Issue ^{1&2}	312.65
	Issue Price	330.00

^{1.} Net Asset Value per Share as at For 10 months period ended January 31, 2015 has been computed considering the outstanding number of shares as on January 31, 2015.

^{2.} Net Asset Value per Share after issue has been computed considering the outstanding number of shares as on current date after considering bonus issue of 10,67,130 Equity Shares made on March 18, 2015 and net worth of the Company as on January 31, 2015.

6. Comparison of Accounting Ratios with Industry Peers

Currently we are manly engaged in the business of manufacturing of HSS Taps and there is no listed peer group company which are strictly comparable to us with respect to the industry and business segment in which we operate and the size of our company.

7. Our Company and the Selling Shareholders in consultation with the LM believes that the Issue Price of ₹ 330.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.

Investors should read the above mentioned information along with section titled "**Our Business**", "**Risk Factors**" and "**Financial Information of the Company**" beginning on page no. 78, page no. 13 and page no. 128 respectively including important profitability and return ratios, as set out in "**Annexure P**" to the Standalone Restated Financial Statements on page no. 154 of the Draft Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Emkay Taps and Cutting Tools Limited
Plot No. B-27 and B-27/1,
M.I.D.C. Hingna, Industrial Estate,
Nagpur – 440 016, Maharashtra, India

Dear Sir,

Subject: Statement of Possible Direct Tax Benefits (“Statement”) available to Emkay Taps and Cutting Tools Limited (“the Company”) and its shareholders in connection with proposed Public Issue of Equity Shares of the Company

We hereby report that the enclosed statement provides the possible direct tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961 and Wealth Tax Act, 1957 (which is proposed to be abolished by Finance Bill, 2015) presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company faces in the future, the Company may or may not choose to fulfill.

The benefits enumerated in the statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax-advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We do not express any opinion or provide any assurance as to whether:

- (i) Company or its shareholders will continue to obtain these benefits in future; or
- (ii) The conditions prescribed for availing the benefits has been/ would be met with.

The contents of the statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the Tax Laws.

This report is intended solely for your information and for the inclusion in the Offer Document in connection with the proposed public issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Vijay Agrawal & Company,
Chartered Accountants,
FRN: 138350W

Sd/-
CA. Vijay Agrawal
Partner
Membership No.: 31863
Place: Nagpur
Date: June 01, 2015

ANNEXURE**STATEMENT OF POSSIBLE TAX BENEFITS****Under the Income Tax Act, 1961 (“the Income Tax Act”/“the Act”):****(i) Special tax benefits****1. Special tax benefits available to the Company: Nil****2. Special tax benefits available to the shareholders of the Company: Nil****(ii) General tax benefits****I. Benefits to the Company under the Act:**

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1. As per Section 10(34) of the Act, income earned by the Company by way of dividend income from another domestic company referred to in section 115-O of the act is exempt from tax. Such dividend is to be excluded while computing Minimum Alternate Tax (‘MAT’) liability.

Further, in the context of the dividend payable by the Company to its shareholders, by virtue of section 115-O, the Company would be liable to pay Dividend Distribution Tax (‘DDT’) @ 15% (plus applicable surcharge and cess) on the grossed up amount of dividend to be paid. In calculating the amount of dividend on which DDT is payable, dividend shall be reduced by dividend received from its subsidiary, subject to fulfillment of certain conditions.

As per section 115BBD of the Act, dividend income received by an Indian company from a specified foreign company i.e. in which the Indian company holds twenty-six per cent or more in nominal value of the equity share capital, will be taxable @ 15% on gross basis (plus applicable surcharge and cess).

2. As per section 10(35) of the Acts, the following income will be exempt from tax in the hands of the Company:
 - a) Income received in respect of the units of a Mutual Fund specified under section 10(23D) (other than income arising from transfer of such units); or
 - b) Income received in respect of units from the Administrator of the specified undertaking; or
 - c) Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

3. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the Company. However, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax (“MAT”) under section 115JB of the I.T. Act.
4. As per provisions of Section 48 of the Income Tax Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration
5. Under section 32 of the Act, the Company is entitled to claim depreciation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business. Unabsorbed depreciation, if any, for any assessment year can be carried forward indefinitely and shall be added to the allowance for depreciation for the subsequent assessment years as per section 32(2) of the Act and shall be set-off against business loss subject to provisions of section 72(2) and 73(3) of the Act.

6. In terms of section 35D of the Act, the Company will be entitled to a deduction equal to one-fifth of the preliminary expenditure of the nature specified in the said section by way of amortization over a period of five successive years, subject to stipulated limits.
7. Under Section 35 (1) (ii) and (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and one fourth times the sum so paid. Under Section 35 (1) (iia) of the Act, any sum paid to a company, which is registered in India and which has as its main object the scientific research and development, and being approved by the prescribed authority and such other conditions as may be prescribed, shall also qualify for a deduction of one and one fourth times the amount so paid.
8. As per provisions of Section 36(1) (xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.
9. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
10. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%(plus applicable surcharge and education cess). Further, short term gains as computed above that are not liable to STT would be subject to tax at a rate of 30% (plus applicable surcharge and education cess) in case of a company.
11. In accordance with section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on long-term capital gains is resulting from transfer of listed securities or units or zero coupon bonds, then long term capital gain will be chargeable to tax at the rate lower of the following: -
 - a) 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or
 - b) 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
12. The amount of tax paid under section 115JB by the Company for any assessment year beginning on or after 1st April, 2006 will be available as credit to the extent specified in section 115JAA. In accordance with the provisions of Section 115JAA, from such assessment year MAT credit is available for ten years succeeding the assessment year in which MAT credit becomes allowable.
13. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years.
14. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against income from any other source in the subsequent assessment years as per section 32(2) subject to the provisions of section 72(2) and section 73(3) of the Act.
15. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
16. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent eight assessment years.

17. The Company is entitled to a deduction under section 80G of the Act either for whole of the sum paid as donation to specified funds or institution or 50% of sums paid, subject to limits and conditions as provided in section 80G of the Act.
18. As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.
19. As per section 115QA of the Act, the Company will be liable to tax on the distributed income at the rate of 20% plus applicable surcharge and education cess and secondary and higher education cess of 2% and 1% respectively. The term, distributed income has been defined to mean, the difference between the consideration paid on buy back of shares as reduced by the amount which was received for issue of such shares

II. Benefits to the members / shareholders

A. Resident members / shareholders

1. As per section 10(34) of the Act, income earned by the resident member by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.
2. As per section 10(34A) of the Act, any income arising to a shareholder on account of buy back of shares (not being shares listed on a recognized stock exchange in India) referred in section 115QA is exempt from tax.
3. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of ₹1,500/- per minor child.
4. As per section 10(38) of the Act, long term capital gains arising to the resident member from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of such members. However, in case the shareholder is a Company, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the I.T. Act.
5. As per section 10(34A) of the Act, any income arising to a shareholder on account of buy back of shares (not being shares listed on a recognized stock exchange in India) referred in section 115QA is exempt from tax.
6. As per provisions of Section 48 of the Income Tax Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration
7. As per section 111A of the Act, short term capital gains arising to the resident members from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, short term gains as computed above that are not liable to STT would be subject to tax at a rate of 30% (plus applicable surcharge and education cess) in case the shareholder is a company and it would be taxable at their normal tax rates in case the shareholder is other than a company.
8. In accordance with section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on long-term capital gains is resulting from transfer of listed securities or units or zero coupon bonds, then long term capital gain will be chargeable to tax at the rate lower of the following: -
 - c) 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or
 - d) 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.

9. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
10. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.
11. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
12. As per the provisions of section 54F of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years from the date of transfer.
13. The assessee is not entitled to a deduction in respect of the Security Transaction Tax ('STT') paid by him against the income chargeable under the head 'Capital Gains'.
14. As per provisions of Section 56(2)(vii) of the Income Tax Act and subject to exception provided in second proviso therein, where an individual or a HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value (as defined) of the shares and securities by an amount exceeding ₹ 50,000, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'.
15. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.

B. Non-resident Indian members / shareholders or non-resident members / shareholders (other than FIIs/FPIs and foreign venture capital investors):

In accordance with the provisions of section 90 of the Act, the non resident shareholder may choose to apply the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial (subject to furnishing of Tax Residency Certificate). Also, subject to the provisions of Act and the treaty, the non-resident shareholder can claim the tax credit in respect of doubly taxed income (i.e. where taxes are paid on same income in India as well as outside India).

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.
2. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of ₹1,500/- per minor child.
3. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an' equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt. However, in case the shareholder is a Company, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the I.T. Act.
4. As per section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, short term gains as computed above that are not liable to STT arising to non-resident shareholders would be subject to tax at their normal tax rates (plus applicable surcharge and education cess).

5. In accordance with section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on long-term capital gains is resulting from transfer of listed securities or units or zero coupon bonds, then long term capital gain will be chargeable to tax at the rate lower of the following: -
 - a) 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or
 - b) 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
6. As per the first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, will be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost indexation benefit will not be available in such a case.
7. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
8. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.
9. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
10. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) and subject to the condition specified therein arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years from the date of transfer.
11. As per provisions of Section 56(2)(vii) of the Income Tax Act and subject to exception provided in second proviso therein, where an individual or a HUF (if applicable) receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value (as defined) of the shares and securities by an amount exceeding ₹ 50,000, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'.
12. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.
13. Under the provisions of Section 195 of the Income Tax Act, any income (not being an income chargeable under the head 'Salaries'), payable to non residents, is subject to withholding tax as per the prescribed rate in force, subject to the tax treaty. Accordingly income tax may have to be deducted at source in the case of a non-resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities.

Special provision in respect of income / LTCG from specified foreign exchange assets available to Non- resident Indians (NRI) under Chapter XII-A of the Income Tax Act

14. As per the provisions of section 115A of the Act, where the total income of a Non-resident (not being a company) or of a foreign company includes dividends (other than dividends referred to in section 115O of the Act), tax payable on such income shall be aggregate of amount of income-tax calculated on the amount of income by way of dividends included in the total income, at the rate of 20 % plus applicable surcharge and education cess).
15. In accordance with section 115E, income from investment or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus applicable surcharge and education cess). Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the act), shall be chargeable at 10% (plus applicable surcharge and education cess).
16. In accordance with section 115F, subject to the conditions and to the extent specified therein, long- term capital gain arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset or in any saving certificates referred to in clause (4B) of section 10 of the Income-Tax Act.
17. In accordance with section 115G, it is not necessary for a Non resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act.
18. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
19. In accordance with section 115I, where a Non Resident Indian opts not to be governed by the provision of chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.

C. Foreign Institutional Investors (FII's) / Foreign Portfolio Investors (FPI's)

In accordance with the provisions of section 90 of the Act, FIIs being non residents will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate). The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA, if any, between India and the country or any specified territory in which the non- resident has fiscal domicile.

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15.00% plus a surcharge of 5.00% on the dividend distribution tax and education cess and secondary and higher education cess of 2.00% and 1.00% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend. However, w.e.f. 01.10.2014, dividend tax under section 115-O and distribution tax under section 115 R will be payable on amount distributed (after Grossing up). For Grossing up purposes dividend tax under section 115-O(1) and distribution tax under section 115 R(2) will be considered (impact of surcharge and education cess will be ignored for Grossing up)
2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.
3. As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess).

4. As per section 115 AD read with section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).
5. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates:

Nature of Income	Rate of tax (%)*
a) Long term capital gains	10
b) Short term capital gains (other than referred to in section 111A)	30

**(plus applicable surcharge and education cess)*

6. In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
7. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
8. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

D. Benefits available to mutual funds

1. As per the provisions of section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India, would be exempt from income tax subject to the conditions as the Central Government may notify. The mutual funds shall be liable to pay tax on distributed income to unit holders under section 115 R of the act. However, w.e.f. 01.10.2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount as would after reduction of additional income tax on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund.
2. As per the provisions of section 14A, the mutual fund will not be entitled for deduction in respect of expenditure incurred by in relation to income which does not form part of total income under this Act.
3. As per the provisions of section 94(7) of the Act, losses arising from the sale/ transfer of shares or units purchases within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be ignored to the extent dividend income on such shares or units is claimed as tax exempt.

E. Benefits available to venture capital companies/ funds

Tax treaty benefits As per section 90 of the Act, FIIs being non residents, who are eligible to claim treaty benefits (subject to furnishing of Tax Residency Certificate in the specified format), will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India. However, w.e.f. 01.04.2016, the provisions of Chapter X-A relating to General Anti Avoidance Rule shall apply to assessee even if such provisions are not beneficial to him.

1. As per the provisions of section 10(23FB) of the Act, any income of Venture Capital Companies / Funds (set up to raise funds for investment in a venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified therein. However, the exemption is restricted to the Venture Capital Company and Venture Capital Fund set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under

section 10(23FB)(c). However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

2. According to Section 115U of the Act, any income accruing or arising to or received by a person from his investment in venture capital companies/ funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had the investments been made directly in the venture capital undertaking.
3. Further, as per Section 115U(5) of the Act, the income accruing or arising to or received by the Venture Capital Company/ Funds from investments made in a Venture Capital Undertaking if not paid or credited to a person (who has made investments in a Venture Capital Company/ Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.
4. As per the provisions of section 14A, the venture capital companies / funds will not be entitled for deduction in respect of expenditure incurred in relation to income which does not form part of total income under this Act.
5. As per the provisions of section 94(7) of the Act, losses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be ignored to the extent dividend income on such shares or units is claimed as tax exempt.

F. Benefits available under the wealth-tax act, 1957

Wealth Tax Act, 1957 has been proposed to be abolished. As per the Finance Bill, 2015 it has been proposed to replace the wealth tax with an additional surcharge of 2% on persons with a taxable income of ₹1 crore or above.

Notes:

- i) In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess, wherever applicable.
- ii) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
- iii) All the above benefits are as per the current tax laws , legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above.
- iv) Several of these benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.
- v) This statement is only extended to provide general information to the investors and is neither designed nor intended to be a substitute for Professional Tax Advice. In view of the individual nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its investments in the shares of the Company.

SECTION V: ABOUT THE ISSUER

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions, which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

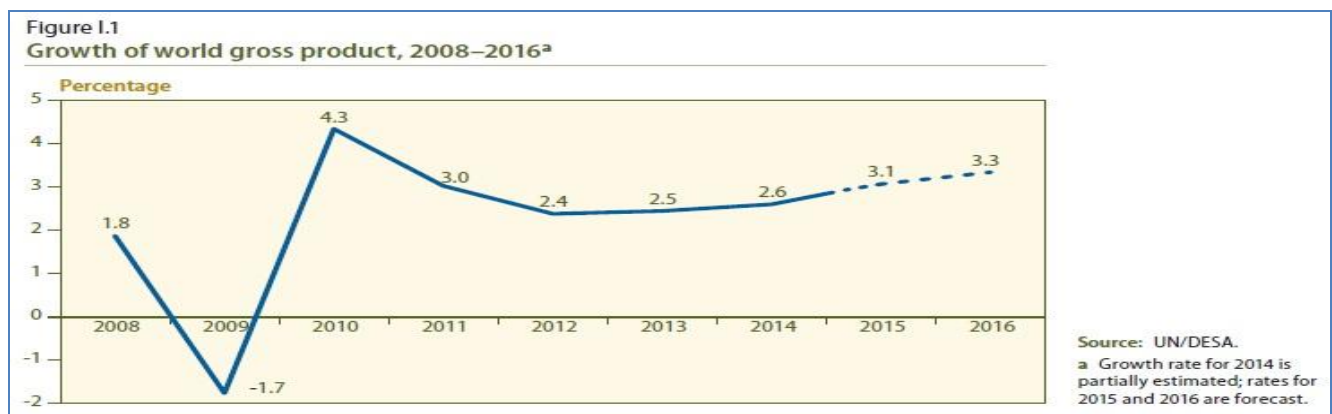
OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

GLOBAL OUTLOOK

Global growth in 2014 was lower than initially expected, continuing a pattern of disappointing outturns over the past several years. Growth picked up only marginally in 2014, to 2.6%, from 2.5% in 2013. Beneath these headline numbers, increasingly divergent trends are at work in major economies. While activity in the United States and the United Kingdom has gathered momentum as labor markets heal and monetary policy remains extremely accommodative, the recovery has been sputtering in the Euro Area and Japan as legacies of the financial crisis linger, intertwined with structural bottlenecks. China, meanwhile, is undergoing a carefully managed slowdown. Disappointing growth in other developing countries in 2014 reflected weak external demand, but also domestic policy tightening, political uncertainties and supply-side constraints.

Several major forces are driving the global outlook: soft commodity prices; persistently low interest rates but increasingly divergent monetary policies across major economies; and weak world trade. In particular, the sharp decline in oil prices since mid-2014 will support global activity and help offset some of the headwinds to growth in oil-importing developing economies. However, it will dampen growth prospects for oil-exporting countries, with significant regional repercussions.

Overall, global growth is expected to rise moderately, to 3.0% in 2015, and average about 3.3% through 2017. High-income countries are likely to see growth of 2.2% in 2015-17, up from 1.8% in 2014, on the back of gradually recovering labor markets, ebbing fiscal consolidation, and still low financing costs. Growth of world gross product (WGP) is estimated to be 2.6% in 2014, marginally better than the growth of 2.5% registered in 2013, but lower than the 2.9% projected in World economic situation and prospects as of mid-2014. In the outlook period, premised on a set of assumptions and subject to a number of uncertainties and downside risks, the global economy is expected to strengthen in the following two years, with WGP projected to grow by 3.1% and 3.3% in 2015 and 2016, respectively.



SOUTH ASIA OUTLOOK

Supported by a recovery in domestic demand, especially investment, regional growth is expected to steadily accelerate toward 6.8% by 2017. The implementation of reforms and deregulation in India should lift FDI. Investment, which accounts for about 30 % of GDP, should strengthen, and help raise growth to 7% by 2016, although this is contingent on strong and sustained progress on reforms. Any slackening in the reform momentum could result in a more modest or slower pace of recovery.

World Bank Group. 2015. *Global Economic Prospects, January, 2015: Having Fiscal Space and Using It*. Washington, DC: World Bank. doi: 10.1596/978-1-4648-0444-1. License: Creative Commons Attribution CC BY 3.0 IGO

http://www.un.org/en/development/desa/policy/wesp/wesp_archive/2015wesp_full_en.pdf

INDIAN ECONOMY OVERVIEW

India is the world's largest democracy by the population size, and one of the fastest growing economies in the world.

The economy registered a growth of 5.5% in the first half (H1) of the current financial year (figure below). This is distinctly higher than the growth recorded in H1 and second half (H2) of the previous year, 2013-14, and is also in tandem with the projection of the full year growth of 5.4 to 5.9% made in the Economic Survey 2013-14 as well as is in line with the initial expectations of the Government of a gradual pick-up in growth. This is also close to the projections made by several international agencies viz. IMF, World Bank, ADB, etc. The World Economic Outlook of the IMF of October 2014 expects the growth of the Indian economy to be 5.6% for the year 2014-15. India is one of the few economies for which the IMF has raised the growth projections in their October Outlook vis-à-vis the updated outlook presented in July 2014.

Growth Rates in Indian Economy (per cent y-o-y at constant prices)					
Items	2013-14		2014-15		
	H1	H2	Q1	Q2	H1
Agriculture, forestry & fishing	4.5	4.9	3.8	3.2	3.5
Industry	1.1	-0.3	4.2	2.2	3.2
Mining & quarrying	-2.0	-0.8	2.1	1.9	2.0
Manufacturing	0.1	-1.5	3.5	0.1	1.8
Electricity, gas & water supply	5.8	6.1	10.2	8.7	9.5
Construction	2.7	0.7	4.8	4.6	4.7
Services	6.8	6.8	6.8	7.1	6.9
Trade, hotels, transport & communication	2.6	3.4	2.8	3.8	3.3
Financing, insurance, real estate and business services	12.5	13.2	10.4	9.5	10.0
Community, social & personal services	6.8	4.4	9.1	9.6	9.4
GDP at factor cost	4.9	4.6	5.7	5.3	5.5
<i>Source: Central Statistics Office (CSO)</i>					

The Ministry of Statistics and Programme Implementation, Government of India has revised the base year for estimating national income and has released new series of national accounts. As per international practices Gross Value Added (GVA) at basic prices in place of GDP at factor cost and GDP at Market prices will be referred to as GDP. As per the advance estimates of National Income, 2014-15, the Growth in GDP at constant prices (2011-12) during 2014-15 is estimated at 7.4% as compared to the growth rate of 6.9% in 2013-14. Agriculture sector's growth has been estimated at 1.1% in 2014-15 as against 3.7% in 2013-14. Manufacturing and Services sector are estimated to grow at 6.8% and 10%, respectively in 2014-15.

As per quarterly estimates of GDP for Q3 of 2014-15 as per the new series, GDP growth was registered at 7.5%. According to data released as per the earlier estimates, GDP growth stood at 5.7% and 5.3% during Q1 and Q2, respectively. In the Union Budget 2015-16, the Indian government has estimated India's growth to be between 8.1% - 8.5% in 2015-16. International Monetary Fund (IMF) has predicted the GDP to expand by 7.2% for 2014-15 as against 5.6% estimated earlier.

India's General Index of Industrial Production (IIP) rose to 5% in February 2015 against 2.6% in January 2015. The growth was led by robust performance of the capital goods and consumer non-durables segments, indicating a pick-up in investment activity in the economy. The manufacturing growth stood at 5.2% in February 2015. According to the IIP data, capital goods segment growth stood at 8.8% in February 2015 versus 3.1% in January 2015.

Mid-Year Economic Analysis 2014-2015 Ministry of Finance Department of Economic Affairs Economic Division SEBI Bulletin, April 2015

MAKE IN INDIA

Make in India is a major new national programme of the Government of India designed to facilitate investment, faster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure in the country. The primary objective of this initiative is to attract investments from across the globe and strengthen India's manufacturing sector. It is being led by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India. The Make in India programme is very important for the economic growth of India as it aims at utilising the existing Indian talent base, creating additional employment opportunities and empowering secondary and tertiary sector. The programme also aims at improving India's rank on the Ease of Doing Business index by eliminating the unnecessary laws and regulations, making bureaucratic processes easier, making the government more transparent, responsive and accountable.

The focus of Make in India programme is on 25 sectors which include automobiles, aviation, chemicals, IT & BPM, pharmaceuticals, construction, defense, manufacturing, electrical machinery, food processing, textiles and garments, ports, leather, media and entertainment, wellness, mining, tourism and hospitality, railways, automobile components, renewable energy, biotechnology, space, thermal power, roads and highways and electronics systems.

The Make in India initiative, has become the largest and fastest growing government initiative ever with over 2.1 billion global impressions on social media and reached an overall fan base of over 3 million on its Facebook page, according to an official release issued in December 2014.

<http://www.ibef.org/economy/make-in-india>

OVERVIEW OF MACHINE TOOLS INDUSTRY

INTRODUCTION

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.

Industry Characteristics

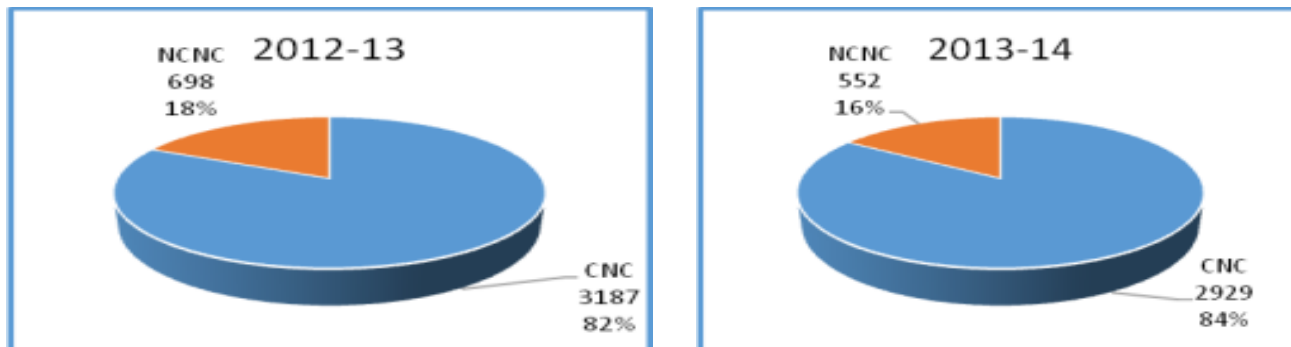
- Highly heterogeneous
- High capital intensity
- Foreign direct investment is low though international trade is significant
- Continuous technological innovations
- Customer orientation rather than just product development

The industry can be segmented in several ways:

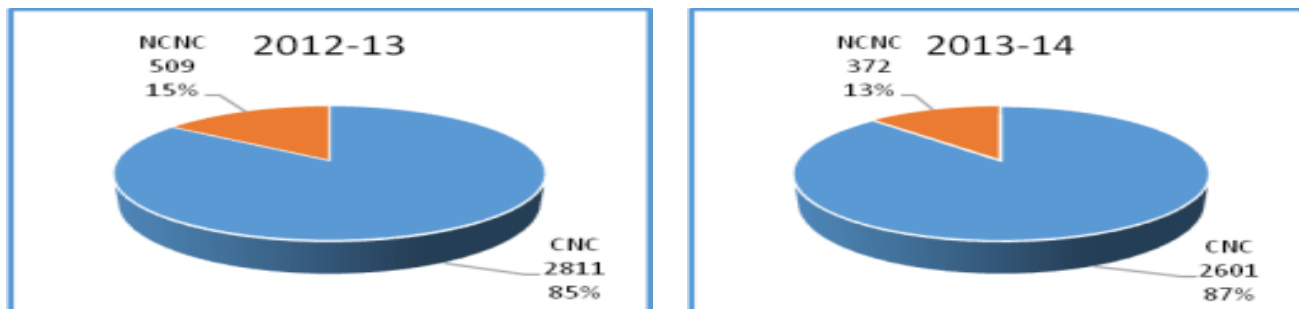
Particular	CNC	Conventional
Forming	₹ 328 Crores	₹ 180 Crores
Cutting	₹ 2601 Crores	₹ 372 Crores

MACHINE TOOLS PRODUCTION IN INDIA

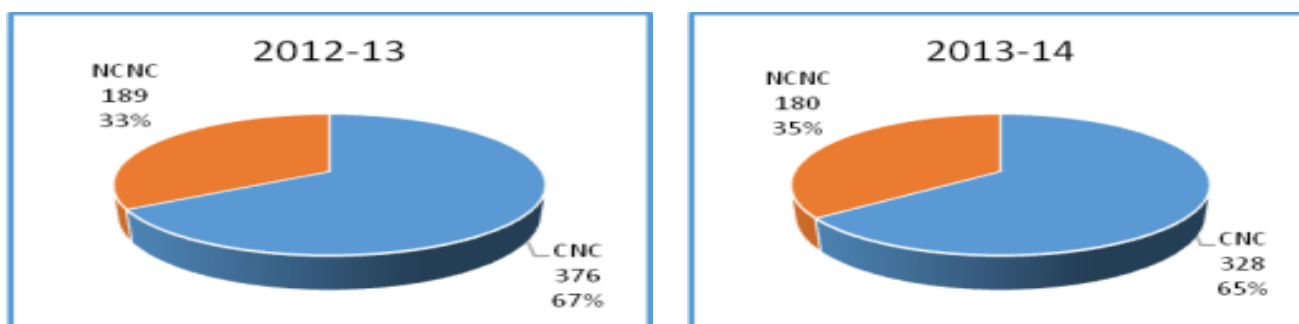
Machine tools production in India has decreased to ₹ 3481 Cr. during 2013-14 from ₹ 3885 Cr compared to 2012-13 registering the annual decline of 10%. Machine wise production values are collected from all the members from each quarter and consolidated to annual production values for further analysis. IMTMA segregates the production of machines into CNC machines, Non CNC machines, Metal cutting machines and Metal forming Machines.

Production of Metal Working Machine tools in India (Value ₹ Crores)

Metal Cutting Machines Production

Production of metal cutting machines reached ₹ 2973 Cr during 2013-14 compared to ₹ 3320 during 2012-13 registering annual decline of 10%.

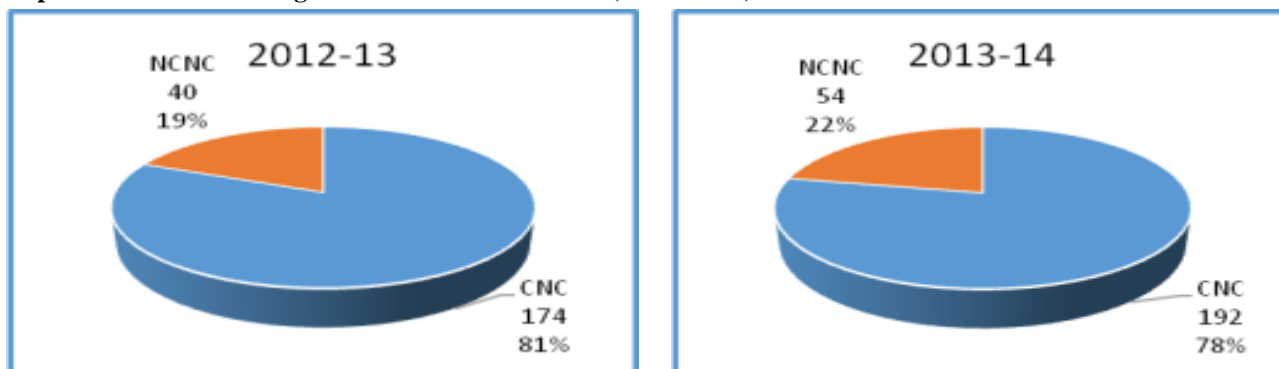
Production of Metal Cutting Machine tools in India (Value ₹ Cr)

Metal Forming Machines Production

Production of metal forming machines has reached ₹ 508 Cr during 2013-14 compared to ₹ 565 Cr during 2012-13 registering a decline of 10%.

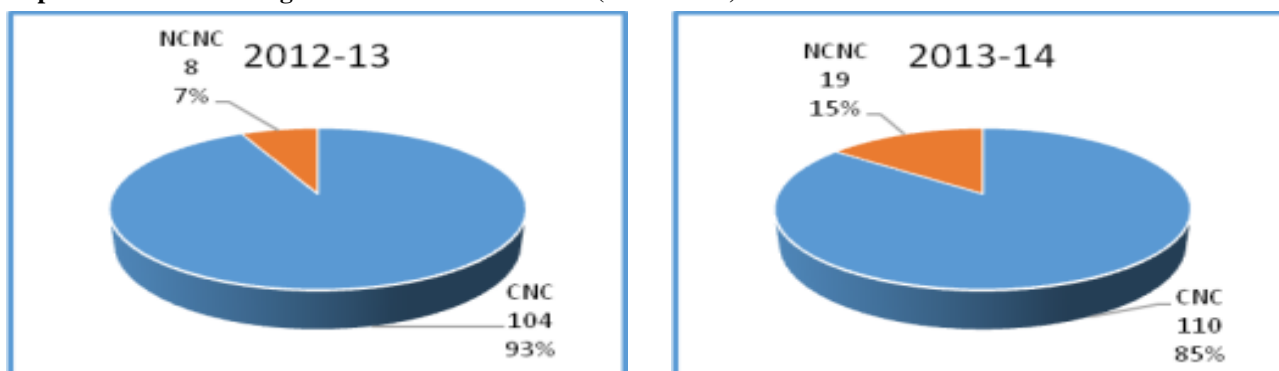
Production of Metal Forming Machine tools in India (Value ₹ Cr)


MACHINE TOOLS EXPORTS FROM INDIA

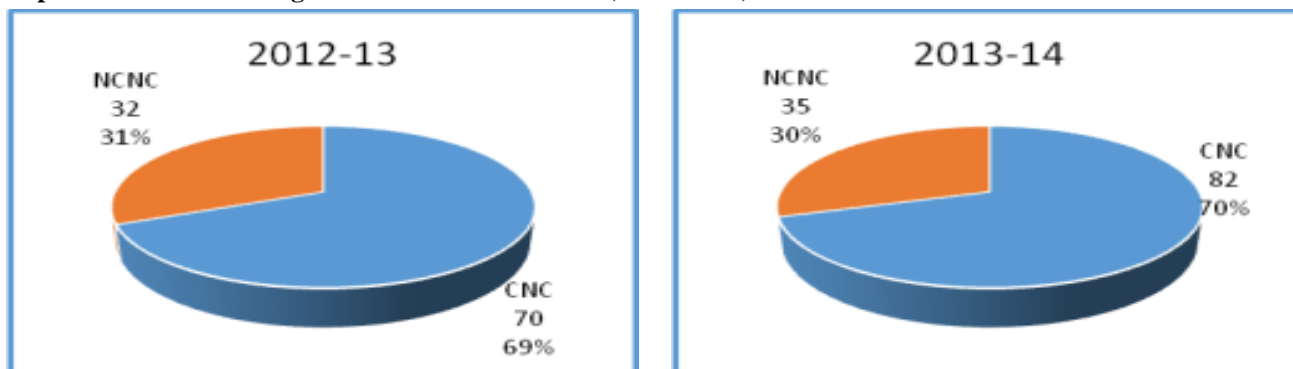
Machine tools exports from India have reached ₹ 246 Cr. during 2013-14 compared to ₹ 214 Cr. during 2012-13 registering a annual growth rate of 14%. Machine wise export values are collected from all the members from each quarter and consolidated to annual export values for further analysis. All types of machines CNC, non CNC, metal cutting and metal forming were exported from India to various countries.

Exports of Metal Working Machine tools from India (Value ₹ Cr)

Exports of Metal Cutting Machines

Metal cutting machine exports from India has reached ₹ 129 Cr. during 2013-14 compared to ₹ 112 Cr. during 2012-13 registering a YoY decline of 5%

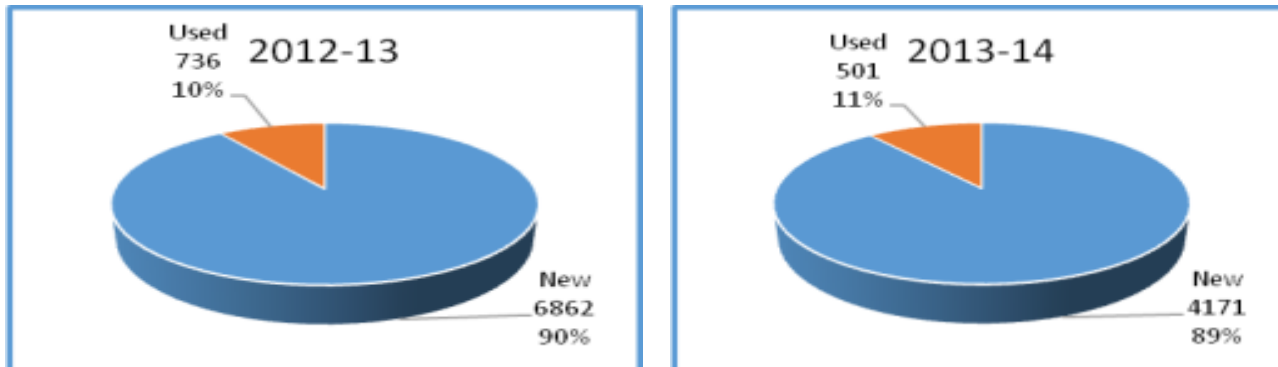
Exports of Metal Cutting Machine tools from India (Value ₹ Cr)

Exports of Metal Forming Machines

Metal forming machine exports from India has increased to ₹ 117 Cr. during 2013-14 compared to ₹ 102 Cr. during 2012-13 registering a YoY growth of 14%.

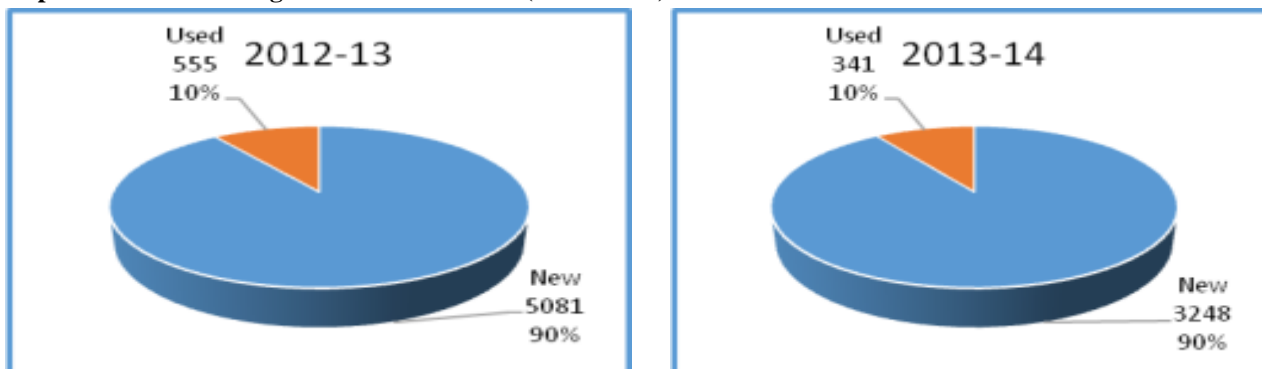
Exports of Metal Forming Machine tools from India (Value ₹ Cr)


MACHINE TOOL IMPORTS

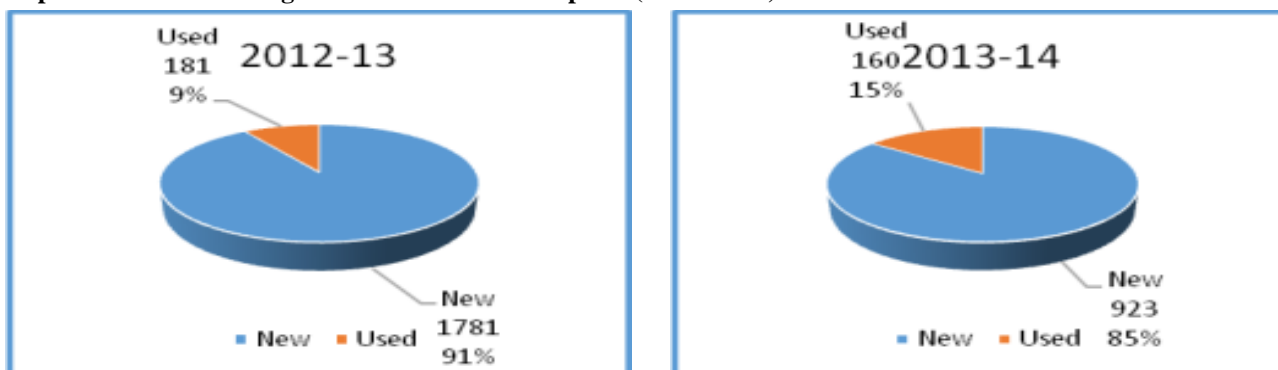
Machine tools imports to India has reached ₹ 4672 Crores during 2013-14 compared to ₹ 7598 Crores during 2012-13 registering a decline of 38%. All types of machines CNC, non CNC, metal cutting, metal forming, used and new machines are imported to India from various countries.

Import of Metal Working Machines into India (Value ₹ Cr)

Imports of Metal Cutting Machines

Metal cutting machine imports to India has reached ₹ 3589 Crores during 2013-14 compared to ₹ 5636 Crore during 2012-13 registering a YoY decline of 36.

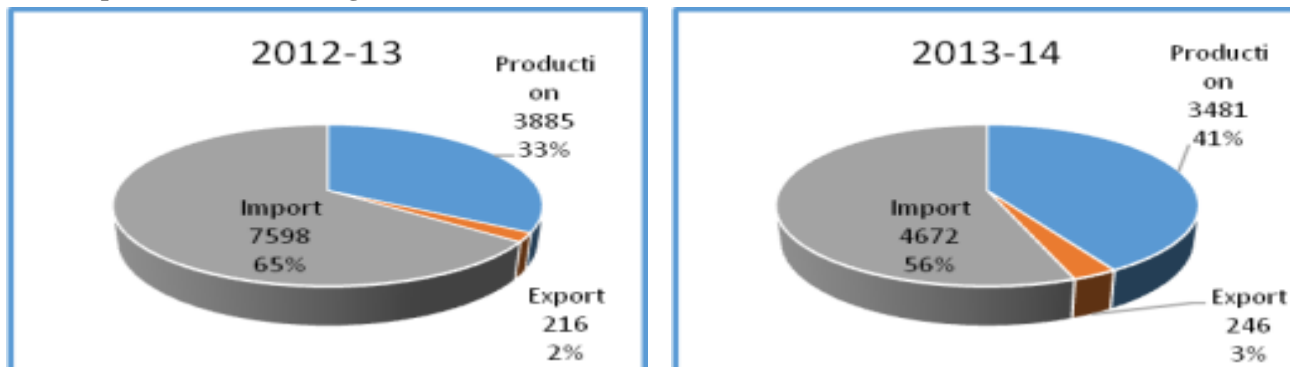
Import of Metal Cutting Machines into India (Value ₹ Cr)

Imports of metal Forming Machines

Metal forming machine imports to India has reached ₹ 1083 crores during 2013-14 compared to ₹ 1962crores during 2012-13 registering a YoY decline of 45%.

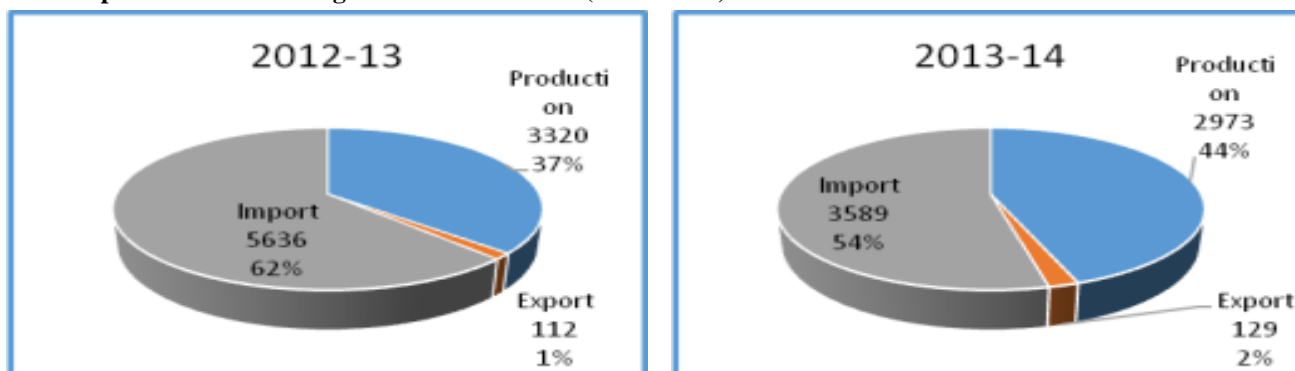
Import of Metal Forming Machines into India Imports (Value ₹ Cr)


CONSUMPTION
Consumption of metal working machines

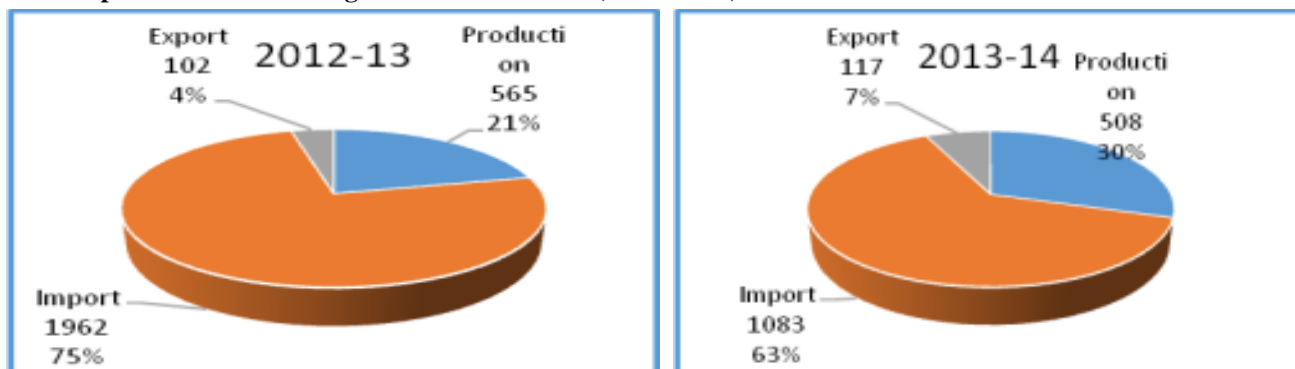
Metal working machine consumption in India has reached ₹ 7907 Cr. during 2013-14 compared to ₹ 11,267 Cr. during 2012-13 registering a YoY decline of 29%.

Consumption of metal working machines into India (Value ₹ Cr)

Consumption of metal cutting machines

Metal cutting machine consumption in India has reached ₹ 6433 Cr. during 2013-14 compared to ₹ 8844 Cr. during 2012-13 registering a YoY decline of 27%.

Consumption of metal cutting machines into India (Value ₹ Cr)

Consumption of metal forming machines

Metal forming machine consumption in India has reached ₹ 1473 Cr. during 2013-14 compared to ₹ 2425 Cr. during 2012-13 registering a YoY decline of 42%.

Consumption of metal forming machines into India (Value ₹ Cr)


**GLOBAL INDUSTRY DATA****World Machine Tool Scenario in 2013**

Dollar-volume production of machine tools around the world during 2013 dipped by 9%. Output by the 28 principal producing countries was \$68.64-billion. That represents a decline from 2012's \$75.4-billion. Most major producers had relatively small percent changes in their output. Among the larger gainers was Germany with a 6% increase; the Italy with a 2% improvement; Spain, 11%; and the Austria with 9% growth. Other countries declined in production, including Japan, China, US and the United Kingdom.

Germany saw an increase of 6% in output in 2013 remains by far the largest maker of machine tools. Japan ranks second, with 32% decrease in production from the year before, and it is followed by China. The output from those top three account for 52% of 2013's total world shipments measured in this survey. The United States, still sixth in output.

The largest-consuming country in the world continues to be China, which installed \$11.3-billion worth of machine tools. On a per-capita basis, consumers Switzerland, South Korea, Germany and Taiwan top the list.

Based on the Gardner's machine tool consumption survey report 2014 India's position in the world during 2013 is 11th in Consumption, 16th in production.

Production of Machine Tools

Global Machine Tool estimated production amounted to USD 68.6 Billion during 2013 a decline of 9% from revised USD 75.4 Billion during 2012. India Production now occupies 16th position in the world compared to 13th position during 2012. Top five countries are Germany (21%), Japan (18%), China (13%), Italy (8%), & Korea (7.7%) Top 3 countries accounts for 52% of the global output.

Global Machine Tool Production

Value in US \$

Sr. No.	Country	2012	2013	% Change
1	Germany	13824.9	14687.7	6%
2	Japan	18231.3	12326.4	-32%
3	China	9236.7	8743	-5%
4	Italy	5606.1	5710.4	2%
5	South Korea	5485	5306	-3%
6	United States	4983.2	4956.1	-1%
7	Taiwan	5414	4537	-16%
8	Switzerland	3282.2	3129.1	-5%
9	Spain	1095.1	1218.6	11%
10	Austria	1000.1	1094.3	9%
11	United Kingdom	911.7	891.7	-2%
12	Canada	752.2	803.4	7%
13	Turkey	644.2	709.2	10%
14	Czech Republic	720	705.6	-2%
15	France	752.2	686.6	-9%
16	India	798	658	-18%
17	Brazil	643.3	420.1	-35%
18	Netherlands	402.5	415.7	3%
19	Mexico	389.4	374.4	-4%
20	Belgium	304.7	324	6%
21	Russia	263	210.9	-20%
22	Sweden	201.9	208.5	3%
23	Finland	187.7	184.6	-2%
24	Australia	148	160	8%
25	Portugal	70.7	74.4	5%
26	Denmark	70.7	73	3%
27	Argentina	39.7	43.1	9%
	Total	75,485	68,651	-9%

Source: Gardner Business Media, Inc

**Consumption of Machine Tools**

Global consumption of machine tools amounted USD 54.4 Billion during 2013 had decreased by 9% from revised USD 59.4 Billion during 2012. China which occupies top position accounts for 21% of the world's consumption. Top 5 consuming countries are China (21%), US (15%), Germany (13%), Korea (8.2%) & Japan (7.7%) India with about 2.6% global share occupies 11th position in the world compared to 6th position during 2012.

Global Machine Tool Consumption

(Value in US \$)

Sr. No.	Country	2012	2013	% Change
1	China	12,950.60	11,364.50	-12%
2	United States	8,835.40	8,039.80	-9%
3	Germany	6,515.40	7,065.00	8%
4	South Korea	4,464.00	4,476.00	0%
5	Japan	5,914.80	4,196.50	-29%
6	Mexico	2,070.70	2,245.60	8%
7	Italy	2,072.30	2,078.30	0%
8	Russia	1,934.80	1,711.90	-12%
9	Brazil	1,883.20	1,674.00	-11%
10	Taiwan	1,840.70	1,629.00	-12%
11	India	2,167.50	1,441.00	-34%
12	Turkey	1,343.50	1,399.70	4%
13	Canada	1,052.00	1,099.70	5%
14	Switzerland	1,053.30	1,079.00	2%
15	France	1,044.00	1,000.00	-4%
16	United Kingdom	1,069.30	954.2	-11%
17	Austria	624.1	585.6	-6%
18	Spain	392.3	419.8	7%
19	Czech Republic	430.5	419.7	-3%
20	Netherlands	399.4	394.4	-1%
21	Sweden	333.3	268.3	-20%
22	Argentina	274.1	220.2	-20%
23	Australia	187.7	206	10%
24	Portugal	172.5	130.1	-25%
25	Finland	158.2	118.2	-25%
26	Belgium	223.1	116.9	-48%
27	Denmark	84.3	75.7	-10%
	Total	59,491	54,409	-9%

OUR COMPANY AND MACHINE TOOLS 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 is auto components. Most of these segments recorded robust growth in recent years.

The following chart indicates the contribution of user industry segments to the machine tool industry:

User Industry Segmentation	
Automotive	40%
Consumer Durables	20%
Engineering & Capital Goods	15%
Railways	10%
Defense	10%
Others	5%

Our Company manufactures HSS cutting tools and which are majorly served to automobile industry as auto component.

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. The demand for machines in India and turnover

Emkay Taps and Cutting Tools Limited

of auto component in India shows a strong coefficient of correlation at 0.69. Correlation coefficient ranges between -1 to +1, and correlation at 0.69 is considered as strong correlation between two sectors.

Auto component industry could not grow in the desired path during last three years due to slowdown in the economy. As per planned estimates demand for automobile components during FY14 is estimated at USD 60 but this was not realized owing to slowdown in the economy. By 2020 ACMA has projected the demand for auto components is likely to grow by USD 108-120 Bn, given the strong correlation between auto components and machine tools, demand for machine tools is likely to grow at a healthy rate.

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.

(Source: Indian Machine Tool Industry Vision Document & Perspective Plan 2010-2020, August 2010, by the Ministry of Heavy Industries & Public Enterprises)

www.imtma.in/

http://www.imtma.in/userfiles/file/auto_components2014.pdf

WINDMILL INDUSTRY

Renewable Energy in India

India's rapidly growing economy and expanding population make it hungry for electric power. In spite of significant capacity additions over the last 20 years, power supply struggles to keep up with demand. Electricity shortages are common, and a significant part of the population has no access to electricity at all. The EIA projects that India and China will account for about half of global energy demand growth through 2040, with India's energy demand growing at approximately 2.8% per year¹⁴. India's wind energy installations by July 2014 were 21,693 MW out of the total renewables capacity of 32,424 MW (excluding large hydro). Wind provided almost 67% of the total installed capacity of grid-connected renewables in the country. In 2011 the state run National Institute for Wind Energy reassessed India's wind power potential as 102,778 MW at 80 metres, up from the earlier estimate of approximate 49,130 MW at 50 metres at 2% land availability.

Market Developments

With the reintroduction of the original Accelerated Depreciation benefit in September 2014 (retroactive to 01 April 2014); the Indian market is set to see strong installation numbers starting in 2015. The other principle support mechanism called the Generation Based Incentive (GBI) was extended up to the end of 12th plan period i.e. 31 March 2017. The revised GBI scheme has a cap of INR 10 million (approximately €117,000) per MW between the 4th and 10th year of the project's operations. Budgetary allocation for GBI in the current fiscal year (2013-14) was INR 8 billion (approximately €94 million). The Renewable Energy Certificate (REC) scheme (1 REC = 1 MWh) began in February 2011. However, due to poor enforcement and monitoring of the RPO obligation, while the total volume of RECs being issued is increasing, the prices have been low, with a majority of RECs being sold at the floor price. About 10.12 million RECs had been issued by the REC Registry as of March 2014. This consisted of 9.9 million non-solar RECs. Wind power accounted for over 50% of the total accredited capacity of 4,548 MW under the REC Registry.

Annual wind installations fell from over 3GW in 2011 to 2.3GW in 2012 to 1.7GW in 2013. 2013 was one of the toughest years for the Indian wind industry since the economic recession of 2008. The industry has faced various challenges including the withdrawal of accelerated depreciation benefits, challenges in transmission, scheduling and forecasting, lack of an integrated energy plan among others which precipitated a significant drop in capacity additions. Though wind power accounted for over half of the registered generation capacity under the REC registry, making RECs a widely accepted instrument and a revenue stream for the project financing community remains a challenge in India, especially with the limited validity of five years of the REC certificates.

Targets

The report of the sub-group for wind power development appointed by the Ministry of New and Renewable Energy to develop the approach paper for the 12th Plan Period (April 2012 to March 2017) has fixed a reference target of 15 GW in new capacity additions, and an aspirational target of 25 GW for the next five-year period.

In addition to streamlining various existing policy initiatives, new actions such as the NWEM are considered essential to accelerating the pace of deployment of clean energy technologies. After the recent announcement of the NWEM, the industry is hopeful of a recovery over 2014-2015. The strength of the recovery will be closely linked to how effectively the NWEM and its contents can be made operational and how well it is designed. If everything goes according to expectation then during the Indian financial year 2014-15 wind capacity addition is likely to cross 2,500 MW. Finally, over the last two years there has been a plan to look at harvesting India's large offshore potential. While not much development is expected in the near term, after 2020 this could add significantly to the Indian wind market.

The GWEO Scenarios for India

Under the IEA New Policies scenario, India's wind power market would shrink considerably out to 2020. The result would be a total installed capacity of 47GW by 2020 and 83GW by 2030. Wind power would then produce close to 117 TWh every year by 2020 and 219 TWh by 2030, and help save 70 million tons of CO₂ in 2020 and 131 million tons in 2030.

Under the Moderate scenario, the total installed capacity would reach 29 GW by 2015, and this would grow to 49 GW by 2020 and 125 GW by 2030. The wind industry will see investments of €6.6 billion per year by 2020 and €10.3 billion per year by 2030. Employment in the sector would grow to over 86,000 by 2020 and over 145,000 jobs ten years later.

Nevertheless the GWEO Advanced scenario shows that the wind development in India could go much further: by 2020 India could have almost 56GW of wind power in operation, supplying 137 TWh of electricity each year, while employing over 123,000 people in the sector and saving 82 million tonnes of CO₂ emissions each year. Investment would reach a level of €8.6 billion per year. By 2030 wind power would generate over 400 TWh per year and avoid the emission of 243 million tons of CO₂ each year. Investment would by then have reached a level of €10.5 billion per year.

Source: Global Wind Energy Outlook, 2014

OUR BUSINESS

In this section “our Company” refers to the Company, while “we”, “us” and “our” refers to our Company.

Overview

Our Company was originally incorporated on July 27, 1995 as a Private Limited Company under the name and style of ‘Emkay Taps and Cutting Tools Private Limited’ under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders’ Resolution passed at the Extra Ordinary General Meeting held on April 08, 2015 and the name of our Company was changed to ‘Emkay Taps and Cutting Tools Limited’ vide a fresh Certificate dated April 24, 2015 issued by the Registrar of Companies, Maharashtra, Mumbai.

Our Company was incorporated with the main object to take over the business of a proprietorship concern carrying on business in the name of ‘Emkay Tools’. Thereafter, pursuant to an agreement dated April 1, 1996 entered between Ajayprakash Kanoria HUF, the then proprietor of Emkay Tools and our Company, our Company took over the assets and liabilities of Emkay Tools as a going concern with all its rights and obligations with effect from April 01, 1996. The said agreement was approved by the Board of Directors of the Company in their meeting held on March 25, 1996.

Our Company sells its varied range of products under the registered brand name “EMKAY TOOLS”. Our advancement in threading tool designs and production have resulted in very high quality thread cutting taps, setting new standards in productivity and performance in taps.

Our Company has gained its customers’ trust and support through total commitment to consistent technological advancement. Earlier, the manufacturing of taps was undertaken by our Company using machines with conventional technology. Eventually, with technological advancements in the industry, we upgraded our machines and equipments to state-of-the-art technology that are used by manufacturers the world over. These machines conform to the modern CNC technology. This latest technology is used throughout the manufacturing process for all applications for improved processes like Center less Grinding, Flute Grinding, Thread Grinding, Chamfer Grinding etc.

Also, over the years, major changes have occurred in various auto component materials. In line with these developments, it became necessary to come-up with suitable taps by making changes in the geometries and also raw material for taps. Thus, our Company is now having different designs for various types of taps for different materials. Our improved and précised designs are able to achieve better results in terms of CPC, Thread Finish, etc. Also, the improved designs with high wear resistant Coating, High Cobalt Steel, PM Steel, have provided better results in terms of Spindle Power Requirement, Thread Finish, Life Increase, bringing down CPC etc.

Promoters of our Company, Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria, have about 35 years and 25 years experience respectively in the field of manufacturing of thread tools and related products and have in-depth knowledge of the product and industry in which we operate.

For the 10 months period ended as on January 31, 2015, Total Income and Restated Profit after Tax was of our Company is ₹ 3,042.99 Lakhs and ₹ 863.50 Lakhs, respectively. For the year ended March 31, 2014, Total Income and Restated Profit after Tax of our Company was ₹ 2,975.32 Lakhs and ₹ 573.88 Lakhs respectively, compared to Total Income and Restated Profit After Tax of ₹ 3,096.51Lakhs and ₹ 491.65 Lakhs respectively, over previous year ended i.e. March 31, 2013.

Our Location:

Registered Office & Factory	Plot No. B-27 & B-27/1, M. I. D. C. Hingna, Industrial Estate, Nagpur – 440 016, Maharashtra
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Our Manufacturing Facilities

We have our manufacturing facility located at B-27 & B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur - 440016, Maharashtra, India in a total area of approx 5,231 squares meters with the annual capacity of 18,00,000 units per annum.



We have the latest and one of the largest manufacturing facilities for HSS Taps in the country, which conforms to the best international manufacturing standards.

We use the latest CNC Thread Grinding and Flute Grinding machines for manufacturing High Performance Taps, which ensure that the quality of our taps is uniformly consistent to the last piece throughout the entire batch.

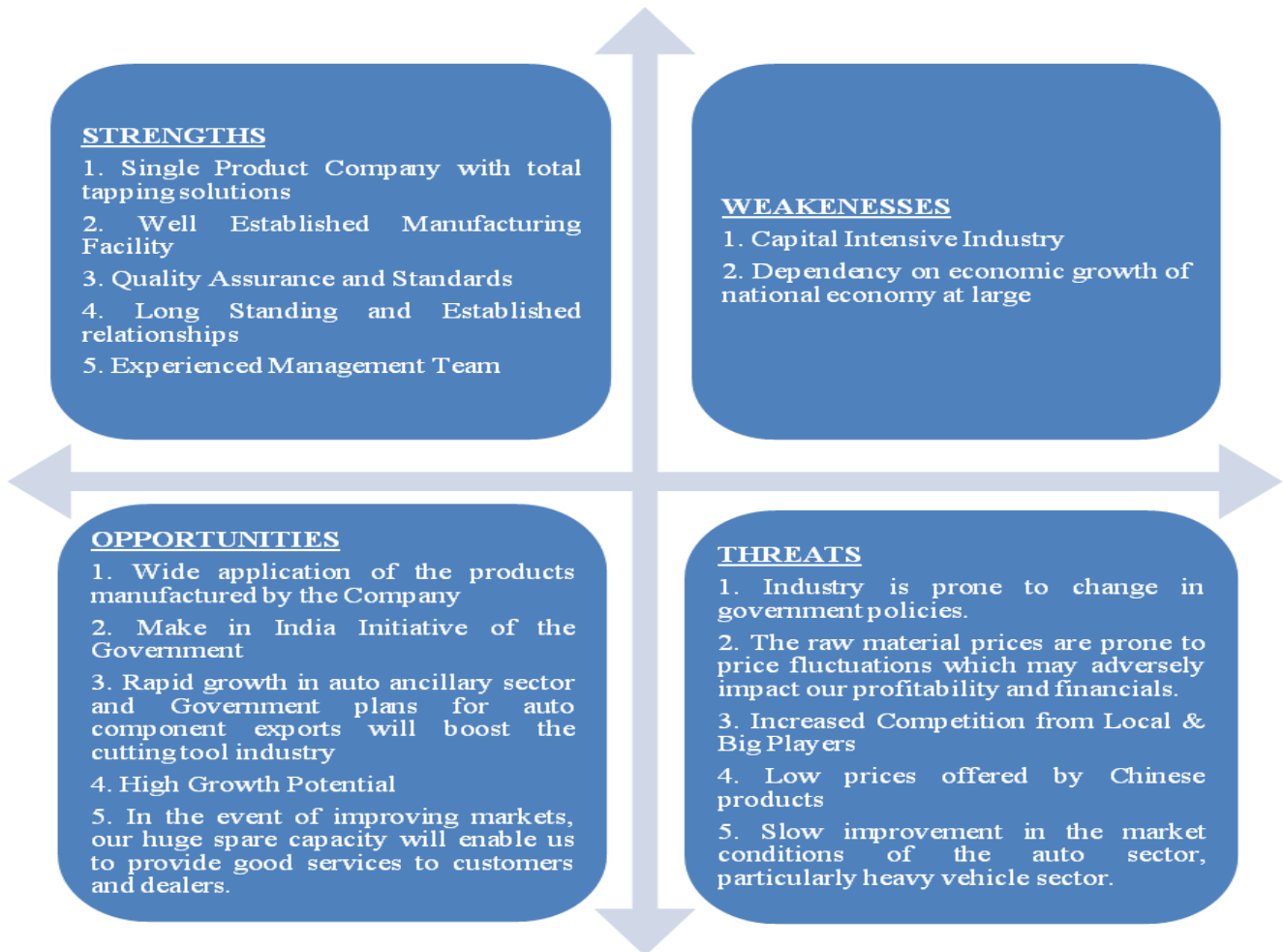


Engineering and Production Planning

Our Engineering and Production Planning Departments are continuously monitoring various production processes for timely deliveries to our customers.

<p style="text-align: center;"><u>Quality Control and Inspection</u></p> <p>Vigorous Quality Control measures are done at each stage level and also final inspection level so that consistency in quality is ensured to the customers.</p>	
	<p style="text-align: center;"><u>Stockyard for Taps</u></p> <p>We are maintaining a very large inventory of standard taps and also non-standard taps in HSS and also HSSE. With the type of inventories we are having, we are in a position to dispatch material to our customers just in time</p>

SWOT Analysis:



OUR COMPETITIVE STRENGTHS:

We consider that we have the following competitive strengths:

1. Single Product Company with total tapping solutions

Our Company is a Single Product Company that makes only threads tools. Therefore, we can concentrate on developing specific geometries for different applications. We stock and maintain large inventories of complete range of taps, thus enabling us to meet the client requirements in time. Over the years, we have developed a varied and diversified product base of threading tools due to the introduction of innovative techniques and variations in the raw materials, designs, shapes, etc. The varieties of taps offered by us which, *inter alia*, include HI-Performance Thread Forming Taps, HI-Performance Spiral Fluted Taps, HI-Performance Spiral Pointed Taps, HI-Performance Taps for Cast Iron Tapping, HI-Performance Special Taps, PM Taps, Carbide Taps, Special Designed Roll Taps, Through Coolant Taps (T.C.H), Special Geometry “Spiral Fluted” Taps, Special Geometry “Spiral Pointed” Taps, Taps With Special Coatings among others are widely used in several critical auto components, ensuring the right product for each customer specific production requirement and timely deliveries has given us a competitive advantage in this high-precision industry.

2. Well Established Manufacturing Facility

We have the latest and one of the largest manufacturing facilities for HSS Taps in the country that is in line with the international manufacturing standards. In the past years, our Company has expanded our capacity and added several State-of-the-Art Machines for improved processes Like Center less Grinding, Flute Grinding, Thread Grinding, Chamfer Grinding and Inspection. We use the latest CNC Thread Grinding and Flute Grinding machines for manufacturing High Performance Taps. This has benefited our manufacturing process significantly in terms of reducing wastage and enabling us to demand a premium for our products. CNC machines normally require High Performance applications for maximum productivity and such application taps are a strong area of our Company.

3. Quality Assurance and Standards:

We believe in providing our customers the best possible quality. Quality standards followed right from the beginning were very stringent, and quality was very well appreciated by all our customers. We are very particular from usage of right quality of steel to following the right procedure for heat treatment. Meticulous attention is provided to the dimensions and geometries of the taps manufactured. Our dedicated efforts towards the quality of products, processes and inputs have helped us gain a competitive advantage over others. There are quality checks in place that prevent any defective material from reaching the customer. We believe that our quality products have earned us a goodwill from our customers, which has resulted in repeat orders from many of them. Our application taps are competing with well-known brands from Germany, Japan and other countries in quality.

4. Long Standing and Established relationships

Our client relationships are established over a period of time as a result of proper client servicing. Over the years with our customized services and solutions to clients we have successfully developed a strong and reliable brand image for our Company with our clients, which provide us a competitive edge over other competitor.

5. Experienced Management Team

Our Promoters have played a key role in developing our business and we benefit from their leadership and significant experience in engineering industry. Our experienced management and employees has successfully expanded our business through proper customization under the guidance of our Promoters and thereby increasing our revenues. Our Promoter Directors, Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria, both have about three decades of experience in field of marketing and manufacturing of machine tools & its related products and have in-depth knowledge of the products and industry in which we operate. Our Promoters are actively involved in our operations and bring to our Company their vision and leadership which we believe has been instrumental in sustaining our business operations. Our Company feels that the strength of any successful organization lies in the experience and guidance of its team leaders and staff alike.

OUR BUSINESS STRATEGY:

We intend to pursue the following principal strategies to leverage our competitive strengths and expand our business:

1. To continue expanding our business by including new products

We intend to explore opportunities to expand our operations by developing new products within our existing lines of business as well as selectively identifying opportunities to expand into new lines of business. Further expanding our business lines will help us to build on existing diversification of our business.

2. Increasing geographical coverage and customer base

Presently, we are based at Nagpur and have developed our reach through many cities throughout the country. Also, we have reached some international customers across the globe. Now, going forward, our Company plans to reach to other nearby markets and capitalize the growth in Investment climate and overall improvement in the business sentiments of the country.

3. To build-up a professional organization

As an organization we believe in transparency and commitment in our work among our work force and with our suppliers, customers, government authorities, banks, financial institutions etc. We have employed experienced persons for taking care of our day to day activities. We also consult with outside agencies on a case to case basis on technical and financial aspects of our business. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

4. Optimal Utilization of Resources

Our Company constantly endeavors to improve our production process, skill up gradation of workers, using latest technology in machineries to optimize the utilization of resources. We regularly analyze our existing raw material procurement and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

WIND POWER BUSINESS

Our Company has set up 3 (three) Wind mill units for generating electricity through wind energy:

1. Shivapura Kavalu Village, Belur Taluka, Hassan District in Karnataka

The wind farm consists of 1 (One) unit of Wind Turbine Generators (“WTG”) having a capacity of 1.25 MW. The turbines were developed by Suzlon Energy Limited, and the power generated is sold to Chamundeshwari Electricity Supply Corporation Limited, a Government of Karnataka undertaking under a Power Purchase Agreement.

We have also entered into an agreement with Suzlon Infrastructure Services Limited to operate and manage (services not involving parts and consumables without parts) the WTG on behalf of the Company and another agreement towards maintenance of our WTG and related equipments.

2. Kita & Ugawa District, Jaisalmer in Rajasthan

The wind farm consists of 2 (Two) units of Wind Turbine Generators (WTG) having a capacity of 1.6 MW (800KW each). The turbines were developed by Enercon (India) Limited, and the power generated is sold to Ajmer Vidyut Vitran Nigam Limited.

We have also entered into agreements with Enercon (India) Limited towards operation and routine maintenance of our WTGs.

OUR PRODUCTS

Our mission is to continuously provide total solutions for threading applications in order to satisfy our customers and to increase their productivity by supplying the right tap that suits their applications. We ensure a consistent supply of high quality and high performance thread cutting tools to not only satisfy our customer requirements but also contributing to technical evolution. This is done by advising and guiding them from the initial idea to executing the specific application effectively and productively.





Our Company offers complete range of taps in standards viz. ISO, DIN, ANSI, BS & JIS. Our taps are available in Metric Threads, Unified Threads, With worth Threads, Taper Pipe Threads and B.A. Threads etc. Whereas other Thread types like Acme, Stub Acme, 60-Stub Acme and Buttress threads are provided as per customer specific requirements. Non-Standard Taps as per customer drawings are also provided by us on specific request from the clients.

The steel used extensively in the production of our taps is HSS-M2. But for high-speed tapping and specific applications, superior steel is used and the tap made of such steel is normally marked as HSS-E. The steel used in the manufacture of our threading tools has carefully controlled metallurgical parameters with right composition and is backed by active research and development. The high alloy content and specialized in-house Heat Treatment cycles employed during the production gives 'Red Hardness', a property enabling tools to cut without loss of hardness or rapid blunting of cutting edges. The Power Metallurgy Cobalt and high Vanadium alloyed steel grades are used to provide even greater resistance for tough application.

Our Company products have the following advantages over others:

1. Longer Life;
2. Better Price;
3. Improved Geometrics;
4. Faster Cutting Speed and
5. Ideal for Tapping on CNC Machines.

Brief details of our products are as follows:

Product	Product Name	Description of the product
	HI-Performance Taps (HSS + 5% Cobalt)	HI-Performance Taps last longer than Conventional Taps and are designed to provide maximum machining efficiency for high quality and high volume thread production
	HI-Performance Thread Forming Taps	These taps are designed for machine tapping in ductile materials and also known as Cold Forming Tap, Roll Forming Tap or Flute less Tap. HI Performance Thread Forming Tap have no flutes or cutting edges but have special roll forming lobes with circular lands and short taper leads for through or blind holes.
	HI-Performance Spiral Fluted Taps	Spiral Fluted Taps are designed primarily for machine tapping in blind holes. They are suitable for tapping in soft materials such as aluminum and soft steels, which produce long and stringy chips. The shear action provided by the spiral flutes draws the chip out of the hole, allowing greater depth of threading without chip clogging
	HI-Performance Spiral Pointed Taps	Spiral Point Tap or Gun Nose Tap with 3-4 threads chamfer is recommended for tapping in Through Holes. These taps normally push the chips down the hole and are suitable for material like aluminum, stainless steel, general purpose steel, forged steel etc.

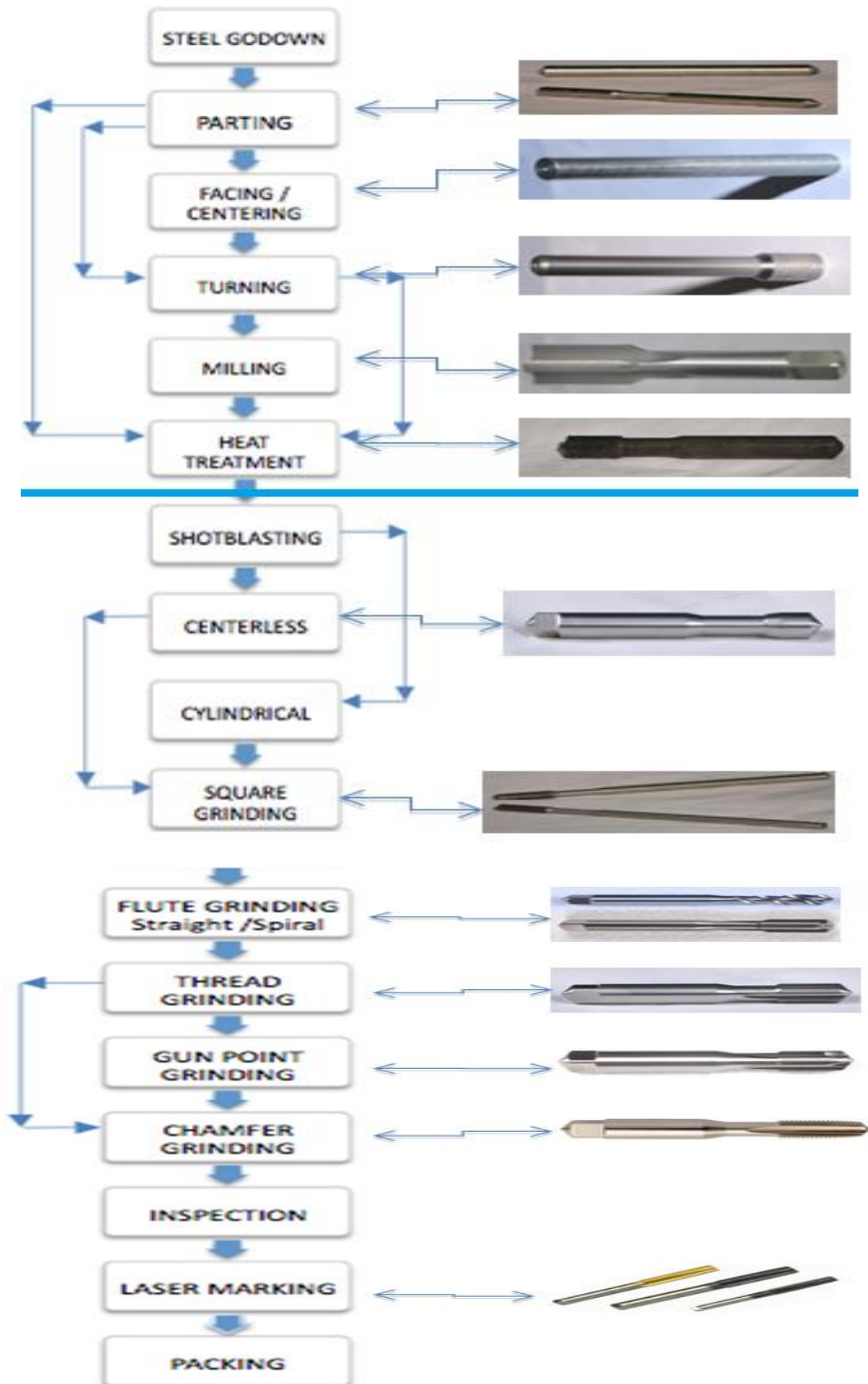
	HI-Performance Taps for Cast Iron Tapping	We have developed application taps for Cast Iron Tapping, having a special geometry and thread tolerance which is suitable for tapping in Cast Iron and also in short chipping S.G. Iron. These taps have chamfer of 2 thread lengths and can be used for both through holes and blind holes.
	HI-Performance NIB/NUT Taps for Nut Tapping	Nib Taps are specially made for automatic tapping of nuts in high speed Nut Tapping Machines in materials like stainless steel etc. These taps have appropriate geometry and flute profile which deliver high quality and consistency in threading. They can also be designed to specific tolerances and applications to suit customer's working condition
	HI-Performance Special Taps & Thread Milling Cutters	In addition to the standard range of Taps we also manufacture Taps as per drawings, special dimensions & tolerance class on specific request from customers. We also manufacture Thread Milling Cutters.

NEW DEVELOPMENTS:

Product	Product Name	Application
	PM TAPS	<ul style="list-style-type: none"> • ALLUMINIUM: Recommended for all types of aluminum alloys. • EXOTIC ALLOYS : Recommended for steels, steel alloys, stainless steels, titanium alloys, nickel and nickel base alloys, other exotic alloys • HARDMATERIALS: Recommended for harder (32Rc-45Rc) materials including steel alloys, titanium alloys, nickel base high temperature alloys, tool and mold steels, and stainless steels. • CAST IRON :Recommended for all types of gray, ductile and malleable cast iron
	CARBIDE TAPS	<ul style="list-style-type: none"> • High volume production in materials with abrasive qualities like cast iron and aluminum - silicon alloys (Si > 10%). • Materials which exhibit high wear characteristics or a "closing" nature. Composites - pure alloys such as tungsten, copper, etc - "exotics" - iron - alum alloys. • Materials hardened above Rc40. Steels and "exotic" alloys.
<p>(a) Through Coolant taps with Radial holes : For Through Hole Tapping</p> <p>(b) Through Coolant taps with Axial hole : For Blind Hole Tapping</p>	THROUGH COOLANT TAPS (T.C.H)	<ul style="list-style-type: none"> • T.C.H. Taps are used for a variety of challenging applications involving tough, abrasive materials, primarily for deep hole tapping. • T.C.H. taps are more useful on components like: Crankshaft, Connecting Rod, Knuckle, Cylinder block • Through Coolant Taps with Axial Hole are

Product	Product Name	Application
		used for blind hole tapping • Through Coolant Taps with Radial Holes are used for through hole tapping
	SPECIAL DESIGNED ROLL TAPS	• Improved design and new coatings help to achieve better results in terms of CPC, thread finish, etc. • The improved design with high wear resistant Coating, High Cobalt Steel, Pm Steel, give best results in terms of “Spindle Power Requirement”, Thread Finish, Life Increase, Bringing Down CPC.
	SPECIAL GEOMETRY “SPIRAL FLUTED” TAPS	• Precisely designed for cutting austenitic steel material. • These spiral fluted taps are specially designed for “blind hole” tapping in Austenitic material like Stainless Steel, (CF8M, S.S.316, SS416), Forged Steel(24CrMo4, 16MnCr5) • Such taps are more useful for tapping on components like: Gate Valve body and various Components
	SPECIAL GEOMETRY “SPIRAL POINTED” TAPS	• Precisely designed for cutting austenitic steel materials having Thru’ Holes. • They are used for tapping in Austenitic material like Stainless Steel, (S.S.316, SS416), Forged Steel(24CrMo4, 16MnCr5, 42CrMo4) • Such taps are more useful for tapping on components like Connecting Rod, Front Wheel Hub(4 wheeler) and various Auto Components
	TAPS WITH SPECIAL COATINGS	• AlTiN- For cast iron, general steel purposes. • AlTiN Supernitride- For tapping on forged steel, Stainless Steel • Compared to conventional coatings, the results of these coatings are very much encouraging.
	JIS TAPS	• These High quality taps are available in a variety of geometries and styles that produce threads in a broad range of materials from steel, stainless steel, cast and non-ferrous, to titanium and titanium alloys, nickel and nickel-base and cobalt-base alloys with both short-chipping and long-chipping in through-or blind-hole applications. • JIS taps are also suited for producing threads in cast iron, as well as abrasive cast iron with vermicular graphite • JIS Cold forming taps are ideal for chip-less production of internal threads in blind-or through-holes which has excellent stability, especially with small thread sizes.

Manufacturing Process:




OF THE ABOVE MANUFACTURING PROCESS UPTO HEAT TREATMENT PROCESS WE GET THE SAME DONE FROM OUR PROMOTER GROUP ENTITY NAGPUR TOOL PRIVATE LIMITED ON JOB WORK BASIS.

High Speed threading taps manufactured by us are made from the following varieties of High Speed Steel (HSS):


1. M2 Grade;
2. M35 Grade;
3. Powder Metallurgy (PM) Grade.

The process undergone in the manufacturing of threading tools is briefly described hereunder:

a. Raw Material

<p>High Speed Steel (HSS) is procured in bar form and large inventories of various sizes are maintained. Most of is imported from Bohler Steel, Austria & Era Steel, France, both of which are known for their best quality products world over. These inventories are used to manufacture different kinds of taps.</p>	
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b. Parting

<p>The parting process is done on automats and on band saw machines depending on the diameter of the tap been manufactured.</p>	
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c. Facing & Centering

These processes are done on automats and lathe machines. Centering is also done simultaneously to facilitate further machining of taps during the manufacturing process.


d. Turning

<p>The centered and faced HSS then passes through turning process for shank turning as per the requirement. In certain cases, neck turning is also performed.</p>	
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e. Milling

<p>There are two types of milling viz. flute milling and square milling. This process is done for figure sizes of M20 and above. Whereas, products below size M20 can directly go into the next stage of manufacturing, i.e. heat treatment stage.</p>	
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f. Heat Treatment

<p>Procedures specific to heat treatment of HSS are properly followed. This is an essential part of the process as it provides the required hardness to the tool so that the tool can cut threads easily and efficiently.</p>	
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g. Shot Blasting

<p>In shot blast process, special sand is used with air pressure to clean the salt deposited on the product in the heating process. The process also helps to prevent rusting of taps in the long run.</p>	
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h. Grinding

<p style="text-align: center;"><u>Flute Grinding</u></p> <p>Separate machines are used for straight flute grinding and for spiral flute grinding.</p>	
<p style="text-align: center;"><u>Thread Grinding</u></p> <p>All thread grindings are performed on Computerized Numerical Control (CNC) machines that are imported from US and Germany. This is the main precision operation, which is carried out under Air Conditioned environment. Proper equipments for checking the threads and processes are in place and are closely monitored by engineers for superior quality.</p>	
<p style="text-align: center;"><u>Chamfer Grinding</u></p> <p>After thread grinding, chamfer grinding is the last operation. Different chamfers are provided for different taps in Type A, B, C, D, etc.</p>	

i. Inspection

The manufactured taps are sent for inspection at the in-house inspection cell after all the manufacturing processes. After each Stage-Inspection for quality, final inspection is performed by our Engineers, where most of the dimensions are either checked 100% or it is checked depending on the process. Inspection is done for dimensions and also visually to check any dent or other damages during process of manufacture.

j. Laser Marking

This marking process is undertaken with Company's logo, size, type of steel used, etc.

k. Packing

Once the marking process is completed, the final product is appropriately packed, labels are affixed on the packages with regard to the size, batch number, etc.

Capacity & Capacity Utilization:

Particulars	Unit	Existing			Proposed		
		2012 - 13	2013 - 14	2014 - 15	2015 - 16	2016 - 17	2017-18
H. S. S. Ground Thread Taps	Nos. in Lacs	16.80	18.0	18.00	18.00	20.40	22.80
Actual Production		9.73	8.62	10.43	-	-	-
Capacity Utilization %		57.89	47.87	57.96	-	-	-

The installed capacity of our Wind Turbine Generators operating at Karnataka and Rajasthan is 1.25 MW and 1.6 MW respectively. Currently at both the locations we are generating power at 100% capacity.

Plant & Machinery:

Stated below are the brief details of some of the major machines and equipments installed at our unit:

Sr. No.	Description	Capacity (Pieces Per Annum)
1.	Automats & Band Saws Machines Including Facing and Centering	24,00,000
2.	4 Machines for Center less Job	24,00,000
3.	3 Machines for Square Job	33,60,000
4.	Straight Flute Grinding – Hertlein / Normac Machines	24,00,000
5.	Spiral Flute Grinding – Hertlein / Normac / Haux Machines	12,00,000
6.	Thread Grinding – Normac / SMS / Drake Machines	18,00,000
7.	Chamfer Grinding – Normac / Finny Machines	24,00,000
8.	Gun Point	6,00,000
9.	Laser Marking	18,00,000

Collaborations/Tie Ups/ Joint Ventures:

As on date of this Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures.

Marketing:

Marketing is an important function of our organisation. Annually our Company prepare and implement a comprehensive sales and marketing plan. Our sales and marketing teams along with our management regularly attend trade fairs, exhibitions to promote our products and understand our customer's needs.

We avail both direct and indirect channels of sales for selling & marketing our products. We maintain a data base consisting of our existing customers and undertake direct sales efforts through either centrally from our head office or through our business representatives.

Marketing Strategy:

In future we intend to focus on following marketing strategies:

- Increasing our Geographical reach by entering new countries
- Appointment of Dealers & Agents in developing markets
- Increasing our participation in local trade fairs, exhibitions and by participating in International fairs
- Increasing in spending on advertisement, promotion etc.

Competition

Domestically, we believe that there are no listed companies in India which are engaged in the same business with an equivalent product mix as our Company however we face lot of competition from Indian manufacturers like Addison & Co. Ltd., Indian Tool Manufacturers, Miranda Tools Private Limited etc. The major factors which affect competition in our business are product quality, pricing and client servicing.

Internationally, competition comes from low-cost products, which are manufactured in China and quality products, which are manufactured in Germany, Italy, Japan etc.

Details of major customers:

Our Company manufactures threading tools which are majorly supplied to automobile industry and its ancillaries. Our customers include prominent names such as Bajaj Auto Limited, Endurance Technologies Private Limited, Mahindra & Mahindra Limited, Bharat Forge Limited etc.

Future Prospects:

With the growing GDP and expected boost to Indian economy, it is expected that the auto sector in India will go up rapidly in the next 10 years which has a very high co-efficient with our products resulting in higher demand for our products.

Raw Materials:

Our Company sources the raw material viz. High Speed Steel (HSS), and other essential products from the international market from prominent names such as Bohler International GmbH, Austria, Era Steel Commentry, France, Villares Metals SA, Brazil, Gloria, Taiwan, GKW Powmex Steels Division etc.

Infrastructure & Utilities:
Power

The main utility required is Power. We have made necessary arrangements for regular uninterrupted power supply at our factory. We meet our power requirements from the connection taken from Maharashtra State Electricity Board (MSEB) at our factory premise. Details of Electricity connection is as follows:

Name of Electric Supplying Company	Total Meter in Factory	Electricity		Sanctioned Electricity Load	
		Consumer No.	Meter No.	Unit of Measurement	Quantity
MSEDCL (M.I.D.C. Division 67)	1	410019006560	053-10009438	KW	525

Water

Our operations do not envisage any major water requirements.

Manpower


We believe that our employees are key contributors to our business success. To achieve this, we focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

Employee Profile

Category of Employees	Administrative staff	Skilled	Semi - Skilled	Unskilled	Total
On Payroll	36	16	11	00	63
Contracted Labour	00	00	15	30	45

Our employee compensation and benefits include salaries, discretionary incentives. Our employees are not unionized and we have not experienced any work stoppages or significant labor disruptions during our operational history.

Intellectual Property:

S. No.	Particulars of Mark	Word/ Label Mark/Device	Granting Authority	Owner	Trademark No.	Class	Date of Certificate	Date of Expiry
1.	Emkay Tools logo (Label)	 EMKAY TOOLS	Registrar of Trade Marks	Emkay Tools (Proprietor: EmkayTaps and Cutting Tools Private Limited)	904020	8	July 16, 2005 <i>Effective Date:</i> February 17, 2000	Renewed up to February 17, 2020

Property: We have our properties located at following:

Our Company does not own any property.

Leased Properties:

Sr. No.	Address of Property	Area	Name of the Seller / Lessor / Sub Lessor	Consideration / Lease Rent / Sub-lease Rent*	Nature of Property	Status of Use of the Property	Period of Lease
1.	B-27 & B-27/1, M.I.D.C. Industrial Estate, Hingna Road, Nagpur - 440016, Maharashtra, India	5,231 Square Meters	Pepega (Insulating & Packaging) Limited), Mumbai and M.I.D.C.	₹ 14,77,400.00 ₹ 11,22,600.00	Immovable	Currently in use as registered office and factory premise.	95 years
2.	Plot No. L-6/1 M. I. D. C. Hingna Road Nagpur - 440016	5,760 Square Meters	Debt Recovery Tribunal, Nagpur	₹ 65,25,000.00	Immovable	-	95 years
3.	Village Ugwa, Tehsil Fatehgarh, Dist. Jaisalmer, Rajasthan	2 Hectares	Sub Lessor:- Enercon (India) Limited	₹ 7,500.00 per year	Immovable	Currently in use as Wind Farm Project for generating electricity through wind energy	19 years 11 months from September 20, 2012
4.	Sy. No. 01, Village Shivapura Kavalu, Madihalli, Belur, Hassan	8.06 Hectares	Transferor of Lease:- Suzlon Energy Limited	₹ 15,00,000.00	Immovable	Currently in use as Wind Farm Project for generating electricity through wind energy	30 years from November 29, 2006
	Sy. No. 74, Village Seegee Gudda Kavalu, Salagame, Hassan, Hassan	8.97 Hectares					

*Does not include stamp duty and other expenses.

Insurance Details:

We have taken different insurance policies under Standard fire and special peril policy, machinery breakdown, burglary and vehicles insurance policies, brief details of which are as under:

S. No.	Policy No.	Policy Details	Insurance Details	Property Insured	Sum Insured (₹ in Lacs)	Date of Expiry of Policy
1.	2309011115 P101617801	United India Insurance Company Limited	Standard Fire and Special Perils Policy including Earthquake (Fire and Shock) (Rajasthan Windmill)	2*800KW (Wind Turbine Generator) Enercon make	828.00	May 10, 2016
2.	2309011215 P101617051	United India Insurance Company Limited	Burglary floater policy (Rajasthan Windmill)	2*800KW (Wind Turbine Generator) Enercon make Cables, Transformer, control panel and goods pertaining to trade	100.00	May 09, 2016



S. No.	Policy No.	Policy Details	Insurance Details	Property Insured	Sum Insured (₹ in Lacs)	Date of Expiry of Policy
3.	2309011114 P111743813	United India Insurance Company Limited	Standard Fire and Special Perils Policy including Earthquake (Fire and Shock) (Karnataka windmill)	Building, Plant & Machinery, Earthquake, STFI cover terrorism cover	640.00	March 28, 2016
4.	2309011114 P108525666	United India Insurance Company Limited	Standard Fire and Special Perils Policy including Earthquake (Fire and Shock)	Building, Plant & Machinery, Furniture and other Contents, Stocks, Others, Earthquake, STFI cover	3,626.18	January 10, 2016

KEY INDUSTRY REGULATIONS AND POLICIES

In carrying on our business as described in the section titled “Our Business” on page 78 of the Draft Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our Company. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.. For details of Government and other Statutory Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled “Government and Other Key Approvals” beginning on page 173 of the Draft Prospectus.

Our Company is engaged in the business of manufacturing of various types of tools and taps. The Company is also engaged in the business of setting up Wind Farm Projects for generating electricity. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us:

A. Regulations governing the Manufacturing Sector

The primary central legislation governing the manufacturing sector is the Factories Act, 1948. In addition, compliance of various labour related legislations, including the Payment of Wages Act, 1956, The Minimum Wages Act, 1948, Employees’ Compensation Act, 1923, Industrial Disputes Act, 1948, Payment of Gratuity Act, 1972, Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and Payment of Bonus Act, 1965.

The Factories Act, 1948

The Factories Act, 1948 (“**Factories Act**”) seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term ‘factory’, as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires *inter alia* the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

Maharashtra Factories Rules, 1963

The Maharashtra Factories Rules, 1962 (“**the Rules**”) seeks to regulate labour employed in factories in the state of Maharashtra and makes provisions for the Inspection of staff, safety, health and welfare of the workers. Under the Rules, the occupier or manager of every factory is required to obtain previous permission for the construction or extension of a factory from the Chief Inspector of Factories. The occupier or manager is required to obtain certificate of stability and registration and notice of occupation for the factory. The Rules also requires *inter alia* the maintenance of various registers dealing with health, holidays and extent of child labour, white washing, humidity, workers attending machinery. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

Contract Labour (Regulation and Abolition) Act, 1970

Contract Labour (Regulation and Abolition) Act, 1970 (“**CLRA**”) is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months’ notice, by notification in the Official Gazette, apply the provisions of the CLRA to any

establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

Maharashtra Contract Labour (Regulation and Abolition) Central Rules, 1971

Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971 requires the contractor to establish canteens, rest rooms, drinking water, washing facilities, first aid facilities, and other facilities. Where the employment of any worker is terminated by or on behalf of the contractor, the wages earned by the worker shall be paid before the expiry of the second working day from the day on which his employment is terminated. Every employer shall maintain register of contractors and register of persons employed. The contractor is also required to issue an employment card to the employee and issue service certificate to the employee when he is terminated by the contractor for whatsoever reasons

The Industrial Disputes Act, 1948 and Industrial Dispute (Central) Rules, 1957

The Industrial Disputes Act, 1947 (“**ID Act**”) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman’s services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (“**ESI Act**”) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 (“**EPF Act**”) was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**SHWW Act**”) provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually colored remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3

(three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹ 50,000/-.

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (“**PB Act**”) is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year a minimum bonus which shall be 8.33% of the salary or wage earned by the employee during the accounting year or ₹ 100 (Rupees Hundred), whichever is higher, whether or not the employer has any allocable surplus in the accounting year. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to maximum of 20% of such salary or wage. ‘Allocable surplus’ is defined as 67% of available surplus in the financial year, before making arrangements for the payment of dividend out of profit of the Company.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (“**MW Act**”) came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorised to fix the minimum wages to be paid to the persons employed in scheduled or non scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

Maharashtra Minimum Wages Rules, 1963

Maharashtra Minimum Wages Rules, 1963 (“**MWA Rules**”) was enacted to establish minimum wages for certain categories of employees. The MWA Rules require that wages should be fixed of the employee not exceeding 1 (one) month. The employer is required to make payment of wages to a worker on termination of his employment. The employer is required to give notices containing the minimum rates of wages and the name and address of the Inspector. The employer is required to pay extra wages for the overtime, maintain a register of wages and an inspection book.

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 (“**PG Act**”) applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply)

Gratuity is payable to the employee at the rate of 15 (fifteen) days’ wages for every completed year of service or part thereof in excess of 6 (six) months.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (“**PW Act**”) is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development And Regulation) Act, 1951 (“MSMED Act”)

The MSMED Act inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in

plant and machinery does not exceed ₹ 25,00,000/- (Rupees Twenty Five Lakhs Only); (ii) a small enterprise, where the investment in plant and machinery is more than ₹ 25,00,000/- (Rupees Twenty Five Lakh Only) but does not exceed ₹ 5,00,00,000/- (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than ₹ 5,00,00,000/- (Rupees Five Crores Only) but does not exceed ₹ 10,00,00,000/- (Rupees Ten Crores Only). In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as: (i) a micro enterprise, where the investment in equipment does not exceed ₹ 10,00,000/- (Rupees Ten Lakhs Only); (ii) a small enterprise, where the investment in equipment is more than ₹ 10,00,000/- (Rupees Ten Lakhs Only) but does not exceed ₹ 2,00,00,000/- (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than ₹ 2,00,00,000/- (Rupees Two Crores Only) but does not exceed ₹ 5,00,00,000/- (Rupees Five Crores Only). The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

B. Regulations governing the Electricity Sector

Central Electricity Laws/Regulations/Policies

The Electricity Act, 2003 and the Energy Conservation Act, 2001 and rules and regulations made there under primarily govern the legislative framework of the electricity sector in India.

The Electricity Act, 2003 (“Electricity Act”)

The Electricity Act repealed the previous Indian legislation pertaining to electricity in India, namely the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998. The object of the Electricity Act is to consolidate the laws relating to inter-alia the generation, transmission, distribution, trading and use of electricity. The Electricity Act inter-alia provides for constitution of the Central Electricity Authority to exercise such functions and perform such duties as are assigned to it thereunder, including inter-alia advising the Central Government on matters relating to national electricity policy, formulating short term and perspective plans for development of the electricity system. It also provides for the constitution of the Central Electricity Regulatory Commission for exercising the powers and discharging the functions assigned to it thereunder, including inter-alia regulating tariffs of generating companies, granting of licenses, formulating the Grid Code as well as advising on formulation of the National Electricity Policy and Tariff Policy. It also inter-alia provides for constitution of the State Electricity Regulatory Commissions for formulating the State Grid Code, granting licenses to electricity traders/distributors, facilitate intra-state transmission and wheeling of electricity.

The National Electricity Policy, 2005

On February 12, 2005, the Ministry of Power notified the National Electricity Policy. The National Electricity Policy lays down guidelines for accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders keeping in view availability of energy resources, technology available to exploit these resources, economics of generation using different resources, and energy security issues. The National Electricity Policy aims to address the following issues:

1. Rural Electrification;
2. Generation;
3. Transmission;
4. Distribution;
5. Recovery of Cost of services and targeted subsidies;
6. Technology development and Research and Development;
7. Competition aimed at consumer benefits;
8. Financing power sector Programmes including private sector participation;
9. Energy conservation;
10. Environmental issues;
11. Training and Human Resource Development;
12. Cogeneration and Non-Conventional Energy Sources; and
13. Protection of consumer interests and Quality Standards.

The National Electricity Plan, 2012

The National Electricity Plan was prepared by the Central Electricity Authority (“CEA”) and may be used by prospective generating companies, transmission utilities and transmission/distribution licensees as reference document. The National Electricity Plan is a short-term framework of five years with a 15 (fifteen) year perspective to inter-alia identify areas/locations for capacity additions in generation and transmission of electricity keeping in view the economics of generation and transmission, losses in the system, load centre requirements, grid stability, security of supply, quality of power including voltage profile, etc.; integration of such possible locations with transmission system and development of national grid including type of transmission systems and different technologies available for efficient generation, transmission and distribution.

The National Tariff Policy, 2006 (“National Tariff Policy”)

The Electricity Act inter-alia empowers the Central Government to formulate the National Tariff Policy and also inter-alia requires that the Central Electricity Regulatory Commission and State Electricity Regulatory Commissions are guided by the tariff policy in discharging their functions. Accordingly, the Ministry of Power has formulated the National Tariff Policy which lays down the following objectives:

- a. Ensuring availability of electricity to consumers at reasonable and competitive rates;
- b. Ensuring financial viability of the sector and attracting investments;
- c. Promoting transparency, consistency and predictability in regulatory approaches across jurisdictions and minimizing perception of regulatory risks;
- d. Promoting competition, efficiency in operations and improvement in quality of supply.

The National Tariff Policy has inter-alia laid emphasis on the importance of providing adequate return on investment in the power sector. Accordingly, the Central Electricity Regulatory Commission (“CERC”) in consultation with the Central Electricity Authority would be required to formulate operating norms for generation and transmission and tariff structures on the basis of the aforesaid objectives embodied in the National Tariff Policy. The State Electricity Regulatory Commissions are further required to adopt such norms formulated by the CERC in consultation with the CEA. The National Tariff Policy also mandates that in terms of the Electricity Act, the Appropriate Commission shall specify the minimum percentage for purchase of energy produced from non-conventional energy sources.

Strategic Plan for New and Renewable Energy Sector for the Period 2011-17 (“Strategic Plan”)

The Ministry of New and Renewable Energy (“MNRE”) has prepared this Strategic Plan for the period 2011-17 (covering the last year of the 11th plan and the next 5 years period of the 12th plan) and perspective till 2022, which seeks to articulate the goals of the Ministry, the strategy to be adopted by it during this period to achieve these goals and the corresponding action plan. MNRE’s Strategic Plan inter-alia sets out as its key components:

- a. Vision, Mission and Objectives to be achieved by the end of the year 2022
- b. Strategy for promoting the sector and achieving desired outcomes
- c. Implementation plan outlining the timelines, resources required and tools for tracking and measuring success.

The vision of MNRE is to upscale and mainstream the use of new and renewable energy sources in furtherance of the national aim of energy security and energy independence, with attendant positive impact on local, national and global environment. One of the key objectives of the MNRE is promotion of grid-interactive renewable power generation projects.

The Strategic Plan has also inter-alia provided a sector specific implementation plan. For the purposes of the Wind Power sector, the implementation plan includes inter-alia the following activities, which are on going:

- a. Wind Resource Assessment: Updating/ expansion of existing data base and off-shore resource assessment.
- b. Regular interaction with all stakeholders to periodically address policy, regulatory, evacuation transmission matters for wind power.
- c. Regular interaction with States to periodically address land acquisition, E&F clearance and State policy issues.

In terms of the Strategic Plan, the MNRE is to continue to work closely with Central and State Regulatory Agencies to promote facilitative framework for promotion of renewable energy technologies which includes a wide array of issues.

The 12th Five Year Plan

The Planning Commission has promulgated the 12th Five Year Plan which provides for new approach in framing policies and granting incentives for the wind power industry. The 12th Five Year Plan recognizes setting up of a National Wind

Energy Mission as a focus area and aims at increased investment in the development of turbines suitable to India's wind speed regime, changes in the land tenure that would allow mixed use for both agriculture and wind generation and use of the National Clean Energy Fund for development of the local grids.

Guidelines for Wind Power Projects (“Wind Power Guidelines”)

To ensure quality of wind farm projects and equipment, MNRE introduced the “Guidelines for Wind Power Projects”. The Wind Power Guidelines were issued for the benefit of inter-alia the erstwhile State Electricity Boards, State Nodal Agencies, manufacturers, and developers of the wind farms and end-users of energy to ensure proper and orderly growth of the wind power sector. The Wind Power Guidelines were amended to inter-alia allow manufacturers of wind turbines to provide self-certification of the quality and performance of their equipment. In the event that their machines are found not to perform as per the performance certified by them, such manufacturers would be penalized. This facility of self-certification was amended to inter-alia extend it to the machines which are already under testing or certification by the erstwhile Centre for Wind Energy Technology (“C-WET”) and any other machines that may be offered and are taken up for testing and certification for the period stated therein. Under these Wind Power Guidelines, the erstwhile C-WET formulated a Type Approval Provisional Scheme – 2000 (“TAPS-2000”) which covers testing/certification of wind turbines. This TAPS-2000 scheme has further been reviewed and amended from time to time.

The Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act replaces the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act inter-alia requires any person who manufactures, repairs or sells, or offers, exposes or possesses for repair or sale, any weight or measure, to obtain a license issued by the Controller of Legal Metrology.

State Electricity Laws/Regulations/Policies:

Karnataka Electricity Reform Act, 1999 (“KERA”)

Karnataka Electricity Reform Act, 1999 (“KERA”) is enacted to provide for the constitution of an Electricity Regulatory Commission (‘The Commission’) for the State of Karnataka. It provides for the restructuring of the electricity industry in the State, the corporatisation of the Karnataka Electricity Board and the rationalisation of the generation, transmission, distribution and supply of electricity in the State. Further, it provides for avenues for participation of private sector entrepreneurs in the electricity industry in the State and generally for taking measures conducive to the development and management of the electricity industry in the State in an efficient, economic and competitive manner to provide reliable quality power and to protect the interest of the consumer including vesting in the Commission the powers to regulate the activities of the power sector in the State.

Policy for Promoting Generation of Electricity Through Non-Conventional Energy Sources-2004

Government of Rajasthan has promulgated a Policy known as “Policy for Promoting Generation of Power through Non-Conventional Energy Sources.” Among the non-conventional sources of energy, Solar, Wind, Mini-Small hydel and Bio-mass have good potential for generation of electricity in Rajasthan. Identifying the impediments in the process of generation of electricity from non-conventional sources, State Government has decided to issue a comprehensive Policy for generation of electricity from various sources of non-conventional energy which offers solution to various problems faced by developers, investors and utilities

Authorities and Organizations

Ministry of Power

The Ministry of Power governs the electricity sector in India and is responsible for perspective planning, policy formulation, processing of projects for investment decisions, monitoring of the implementation of power projects, training and manpower development and the administration and enactment of legislation in regard to thermal, hydro power generation, transmission and distribution. The Ministry of Power is also responsible for the administration of the Electricity Act, 2003, the Energy Conservation Act, 2001 and the rules and regulations made there under.

Ministry of New and Renewable Energy

MNRE is the nodal ministry for all matters relating to renewable energy. MNRE was established in 1992 as Ministry of Non-Conventional Energy. In the year 2006, it was renamed as MNRE. The MNRE aims to develop new and renewable energy technologies, processes, materials, components, sub-systems, products and services pertaining to renewable energy in India thereby assisting in meeting the demand for power in India. The MNRE has announced various schemes for generation of power from renewable energy sources. It has further established specialist financial and technical institutions to complement its role in development of the wind energy sector in India. The Wind Power Division of MNRE has been dedicated by MNRE to facilitate wind power projects in India. The MNRE also aims to become a net foreign exchange earner in the renewable energy sector.

National Institute of Wind Energy (“NIWE”)

National Institute of Wind Energy previously known as Centre for Wind Energy Technology (“C-WET”) was established in the year 1998, as an autonomous research and development institution by the MNRE and is dedicated solely to wind energy technology. It is a knowledge-based institution of high quality and dedication, offers services and seeks to find complete solutions for difficulties and improvements in the wind energy sector by carrying out research. For this purpose, the NIWE has a research and development unit, wind resource assessment testing unit and standard certifications unit. It also offers consultancy services to users in the wind energy sector. Renewable energy generated product manufacturers are required to be registered with NIWE as an approved manufacturer of wind turbine generators. Manufacturers of wind turbines are required to obtain type approval/type certification from NIWE.

Indian Renewable Energy Development Agency Limited (“IREDA”)

IREDA is a public limited government company established in 1987 for the purpose of lending financial support to specific projects and schemes for generating electricity through new and renewable sources of energy and towards energy efficiency and conservation projects. The MNRE has issued operational guidelines for implementation of Extension Scheme for Generation Based Incentive for grid Connected Wind Power Projects (“the Extension Scheme”) on September 4, 2013 by the IREDA which aim to facilitate entry of Independent Power Producers and Foreign Direct Investment in the wind power sector. The Extension Scheme inter-alia provides that a Generation Based Incentive will be provided to wind electricity producers @ ₹ 0.50 per unit of electricity fed into the grid for a period of not less than 4 (four) years and a maximum period of 10 (ten) years with a cap of ₹ 100,00,000.00 (Rupees One Hundred Lakhs only) per MW and will be available for wind turbines commissioned after April 1, 2012 subject to the other conditions specified there under.

Chamundeshwari Electricity Supply Corporation Limited (“CESC”)

Chamundeswari Electricity Supply Corporation Limited (CESC), is a Government of Karnataka undertaking, and has its Headquarters at Mysore. It is a Company incorporated under the Companies Act, 1956 and is a successor entity to Karnataka Power Transmission Corporation Ltd, (“KPTCL”) & Mangalore Electricity Supply Company Limited (“MESCOM”) in respect of Distribution and Retail supply of electric power for five districts in the State of Karnataka, viz., Mysore, Mandya, Chamarajanagar, Hassan and Kodagu. The Corporation’s capital is fully owned by Government of Karnataka and its Board of Directors is nominated by the Government. CESC is a holder of license granted by the Karnataka Electricity Regulatory Commission under Section 19 of the Karnataka Electricity Reform Act, 1999 for carrying on the business of Retail supply of electrical energy in Karnataka.

Karnataka Electricity Regulatory Commission (“KERC”)

The Government of Karnataka has set up the Karnataka Electricity Regulatory Commission (KERC) to regulate all aspects of the electricity sector in an objective, professional and transparent manner; to safeguard consumers’ interests and to ensure reliable, least – cost power supply as basic input for the economic and social development of the state. KERC has been set up as an autonomous body corporate consisting of 3 (three) members, one of whom is nominated as the Chairman and the Chief Executive of the Commission. The Commission has the exclusive power to:

- (i) purchase, distribution, supply and utilization of electricity;
- (ii) promote efficiency, economy and safety in the use of electricity;
- (iii) issue licenses in accordance with the provisions of the Act;
- (iv) the working of the licenses in an efficient, economical and equitable manner;
- (v) regulate the assets related to the electricity industry;
- (vi) aid and advise in matters concerning electricity generation, transmission, distribution and supply;

- (vii) promote competitiveness;
- (viii) collect data and forecast on the demand for the electricity;
- (ix) co-ordinate with environmental regulatory agencies; and
- (x) undertake all incidental or ancillary functions with the electricity sector.

Karnataka Power Transmission Corporation Limited (“KPTCL”)

Karnataka Power Transmission Corporation Limited (KPTCL) is a registered company under the Companies Act, 1956 which was incorporated on July 28, 1999. KPTCL is owned by the Government of Karnataka. KPTCL was formed on August 1, 1999 by carving out the Transmission and Distribution functions of the erstwhile Karnataka Electricity Board. KPTCL is headed by a Chairman and Managing Director at the corporate office situated at Kaveri Bhavan, K.G.Road, Bangalore- 560 009. It is the sole electricity transmission and distribution company in state of Karnataka, and is governed under the purview of Ministry of Energy.

Karnataka Renewable Energy Development Limited (“KREDL”)

The Karnataka Renewable Energy Development Limited (KREDL), is an organization working under the purview of Energy Department, Government of Karnataka. The objectives of the KREDL are to promote renewable energy in the State and to initiate all necessary actions for Energy Conservation in the State. The KREDL works through various Governmental Agencies, Private Organizations, NGO's and Accredited Energy Auditors. KREDL is an organization devoted entirely to the promotion of non-conventional energy sources in Karnataka with a vision to promote projects for harnessing energy from wind, small-hydro, biomass, solar energy and energy recovery from wastes through private investment. KREDL advises the Government of Karnataka on policies to be adopted for ensuring a systematic and balanced growth of projects for harnessing renewable energy sources.

Rajasthan Electricity Regulatory Commission (“RERC”)

Rajasthan Renewable Energy Corporation Limited (RRECL) has been formed by merging erstwhile Rajasthan Energy Development Agency (REDA)) and the Rajasthan State Power Corporation Ltd (RSPCL) in August 2002. The Rajasthan Electricity Regulatory Commission (RERC) was established on January 2, 2000 under the Electricity Regulatory Commissions Act, 1998. Consequent upon coming into existence of the Electricity Act, 2003 w.e.f. June 3, 2003, the Commission is poised to play a more effective role in the development of energy sector. The Commission is under the process of its revamping after consultation with the Government. The Commission discharges following functions:

- i. regulate purchase, distribution, supply and utilization of electricity;
- ii. determine the tariff for generation, supply, transmission and wheeling of electricity;
- iii. facilitate intra-state transmission and wheeling of electricity;
- iv. issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders;
- v. promote cogeneration and generation of electricity;
- vi. adjudicate upon the disputes between the licensees and generating companies;
- vii. enforce standards with respect to quality, continuity and reliability of service;
- viii. fix the trading margin in the intra-State trading of electricity;
- ix. promotion of competition, efficiency and economy in activities of the electricity industry;
- x. promotion of investment in electricity industry;
- xi. reorganization and restructuring of electricity industry; and
- xii. matters concerning generation, transmission, distribution and trading of electricity.

C. Environmental Regulations

Our Company is also required to obtain clearances under the Environment (Protection) Act, 1986, the Forest (Conservation) Act, 1980 and the Forest (conservation) Act, 1980. To obtain an environmental clearance, a no-objection certificate from the concerned state pollution control board must first be obtained, which is granted after a notified public hearing, submission and approval of an environmental impact assessment (“EIA”) report and an environment management plan (“EMP”).

Our Company must also comply at all times with the provisions of The Hazardous Waste (Management and Handling) Rules, 1989, as amended, and as superseded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

Water

Legislations to control water pollution are listed below:

The *Water (Prevention and Control of Pollution) Act, 1974* prohibits the discharge of pollutants into water bodies beyond a given standard, and lays down penalties for non-compliance. The Water Act also provides that the consent of the State Pollution Control Board must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

Air

Legislations to control air pollution are listed below:

The *Air (Prevention and Control of Pollution) Act, 1981* requires that any individual or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. National Ambient Air Quality Standards (NAAQS) for major pollutants were notified by the Central Pollution Control Board in April 1994.

Hazardous Wastes

There are several legislations that directly or indirectly deal with hazardous wastes. The relevant legislations are:

- The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- The Public Liability Insurance Act, 1991
- The National Environment Tribunal Act, 1995 and some notifications under the Environmental Protection Act of 1986.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

These rules require that the occupier and the operator of the facility, that treats hazardous wastes, must properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Schedule I of the said Rules lists out the primary and secondary production of aluminium as a process that generates hazardous waste and therefore requires compliance under these Rules.

D. Tax Related Legislations**The Central Sales Tax Act, 1956**

Central Sales tax ("CST") is levied on the sale of movable goods in the course of inter-state trade or commerce. In India, sales tax is levied both at the union level under the Central Sales Tax Act, 1956 as well as the state level under the respective state legislation. Goods sold within the jurisdiction of the state are charged to Value Added Tax ("VAT") in accordance with the VAT statute of that state.

CST is payable by a dealer (i.e. a person who carries on the business of buying, selling, supplying or distributing goods) on his sales turnover at the rate prescribed in the VAT statute of the State from where the movement of the goods originate. However, a dealer is entitled to a concessional rate of 2% CST on goods which are sold to another registered dealer who intends to further re-sell them or use them in the manufacture or processing for further sale or for certain other specified purposes, subject to the condition that purchasing dealer issues a statutory Form C to the selling dealer.

Value Added Tax

Value Added tax ("VAT") is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials

by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period.

VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Sales Tax Officer of the respective State.

The Maharashtra Value Added Tax Act, 2002, and rules and regulations thereunder, are applicable to our establishment.

Income-tax Act, 1961

Income-tax Act, 1961 (“**IT Act**”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

The Customs Act, 1962

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any company requiring to import or export any goods is required to get itself registered under this Act and obtain an Importer Exporter Code (IEC) number.

The Central Excise & Tariff Act, 1985 and Rules made there under

The provisions of the Central Excise & Tariff Act, 1985 (the “**CETA**”) provides for tariff rates for excise duties payable. Excise duty is imposed on goods produced or manufactured in India under the provisions of CETA.

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 Challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

E. Other Legislations

Transfer of Property Act, 1882

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (“**T.P. Act**”). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed

on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- **Sale:** The transfer of ownership in property for a price, paid or promised to be paid.
- **Mortgage:** The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognizes several forms of mortgages over a property.
- **Charges:** Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- **Leases:** The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- **Leave and License:** The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

The Registration Act, 1908

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

The Indian Stamp Act, 1899

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under this Act, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorised to receive evidence. However, the document can be accepted as evidence in criminal court.

Maharashtra Stamp Act, 1958

The Maharashtra Stamp Act, 1948 ("**Maharashtra Stamp Act**") prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of the Maharashtra Stamp Act., then the instrument is chargeable with the highest of the duty prescribed. In addition, the Maharashtra Stamp Act also prescribes methodology for adjudication, refund of duties, grievance processes and prosecutions. The Collector is normally vested with the power of adjudication. If a document is not stamped or adequately stamped, it is likely to be impounded.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 ("**Contract Act**") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

Competition Act, 2002

The Competition Act, 2002 ("**Competition Act**") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India ("**Competition Commission**") which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate

combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

The Companies Act, 1956

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Trademarks Act, 1999

Under the Trademarks Act, 1999 (“**Trademarks Act**”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“**the Registrar**”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign Exchange Management Act, 1999 (“FEMA”)

Foreign investment in companies is governed by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) read with the applicable regulations. The Department of Industrial Policy and Promotion (“**DIPP**”), Ministry of Commerce and Industry has issued the Consolidated FDI Policy (the “**FDI Circular**”) which consolidates the policy framework on Foreign Direct Investment (“**FDI**”), with effect from May 12, 2015. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till May 11, 2015. All the press notes, press releases, clarifications on FDI issued by DIPP till May 11, 2015 stand rescinded as on May 12, 2015.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the approval route, prior approval of the Government of India through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power



under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

The Consolidated FDI Circular dated May 12, 2015 issued by the DIPP does not prescribe any cap on the foreign investments in the sectors in which the Company operates. Therefore foreign investment up to 100% is permitted in the Company under the automatic route. No approvals of the FIPB or the RBI are required for such allotment of equity shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue.

RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2014 which is valid till June 30, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. As mentioned above, the Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

HISTORY AND CERTAIN CORPORATE MATTERS

Our History and Background

Our Company was originally incorporated on July 27, 1995, as “Emkay Taps and Cutting Tools Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on April 8, 2015 and the name of our Company was changed to “Emkay Taps and Cutting Tools Limited” vide a fresh Certificate of Incorporation dated April 24, 2015, issued by the Registrar of Companies, Maharashtra, Mumbai.

Corporate Identity Number of our Company is U29220MH1995PLC091091.

Changes in the Registered Office

The Registered Office of our Company is situated at Plot No. B-27 and B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur- 440 016, Maharashtra, India

Except as mentioned below, there has not been any change in our Registered Office since inception till the date of the Draft Prospectus.

From	To	Effective Date	Reason for Change
Kanoria Bhavan, Ghat Road, Nagpur – 440 018, Maharashtra	Plot No. B-27 and B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur – 440 016, Maharashtra, India	April 1, 2010	Operational Convenience

Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
1995	Incorporation of our Company in the name and style of “Emkay Taps and Cutting Tools Private Limited”
1996	Takeover of “Emkay Tools”, proprietary concern of Ajayprakash Kanoria HUF
2008	1 (One) unit of Wind Turbine Generator having a capacity of 1.25 MW at Shivapura Kavalu Village, Belur Taluka, Hassan District in Karnataka commissioned by our Company
2009	Installed CNC Machines imported from USA and Germany
2010	2 (Two) units of Wind Turbine Generators having a capacity of 1.6 MW (800 KW each) at Kita & Ugawa District, Jaisalmer in Rajasthan commissioned by our Company
2013	Crossed ₹3,000 Lacs mark of turnover
2015	Conversion of our Company from Private Limited Company to Public Limited Company

Detail about business of our Company

For details on the description of our Company’s activities, products, marketing strategy, competition of our Company, please see “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis for Issue Price*” on pages 78, 158 and 56 respectively of the Draft Prospectus.

Main Objects of our Company

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To takeover the proprietary business of Ajayprakash Kanoria HUF named “Emkay Tools” and to takeover all assets and liabilities as going concern with all rights and obligations of M/s. Emkay Tools, proprietary of Ajayprakash Kanoria HUF.
2. To carry on the business of manufacturing, import, export, buy, sell and to deal in all kinds of high speed steel cutting tools, taps, rings and mills, reamers and other machine & cutting tools.

Alteration of Memorandum of Association

Except as stated below there has been no Alteration of Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in Authorized Share Capital of the Company from ₹ 25,00,000.00 divided into 2,50,000 Equity Shares of ₹ 10.00 each to ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10.00 each.	18.04.1998	EGM
2.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in Authorized Share Capital of the Company from ₹ 50,00,000.00 divided into 5,00,000 Equity Shares of ₹ 10.00 each to ₹ 1,00,00,000.00 divided into 10,00,000 Equity Shares of ₹ 10.00 each.	16.08.2008	EGM
3.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in Authorized Share Capital of the Company from ₹ 1,00,00,000.00 divided into 10,00,000 Equity Shares of ₹ 10.00 each to ₹ 2,00,00,000.00 divided into 20,00,000 Equity Shares of ₹ 10.00 each.	13.03.2015	EGM
4.	Conversion of our Company from “Private Limited” to “Limited” resulting into change of name from “Emkay Taps and Cutting Tools Private Limited” to “Emkay Taps and Cutting Tools Limited”	08.04.2015	EGM
5.	<u>Change in Clause III (Object Clause) of the Memorandum of Association</u> Clause III(A)(1) of the Memorandum of Association of the Company was replaced by the following clause for better clarity of ownership of Emkay Tools which the Company took over in 1996 <i>“To takeover the proprietary business of Ajayprakash Kanodria HUF named “Emkay Tools” and to takeover all assets and liabilities as going concern with all rights and obligations of M/s. Emkay Tools, proprietary of Ajayprakash Kanoria HUF”</i>	28.05.2015	EGM

Time and Cost overruns in setting up projects:

There has been no time / cost overrun in setting up projects by our Company.

Revaluation of assets:

Our Company has not revalued its assets since its incorporation.

Capital raising through equity or debt

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 43 of the Draft Prospectus.

For a description of our Company’s debt facilities, see “*Statement of Financial Indebtedness*” on page 157 of the Draft Prospectus.

Defaults or Rescheduling of borrowings with financial institutions/banks:

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Draft Prospectus. Furthermore, none of the Company's loans have been converted into equity in the past.

Injunctions or Restraining Orders

There are no injunctions/ restraining orders that have been passed against the Company.

Details regarding acquisition of business/undertakings, mergers, amalgamation etc.

Our Company took over the business of “Emkay Tools”, a proprietary concern of Ajayprakash Kanoria, HUF as a going concern with all its rights and obligations pursuant to an agreement dated April 01, 1996 entered between Ajayprakash Kanoria HUF, the then proprietor of Emkay Tools, and our Company with effect from April 01, 1996.

Number of Shareholders of our Company:

Our Company has 8 (Eight) as on the date of filing of the Draft Prospectus.

Changes in the activities of our Company during the last 5 (five) years

There has been no change in the business activities of our Company during the last five (5) years from the date of the Draft Prospectus except we have commissioned 2 (two) Wind Farm Projects for generating electricity through wind energy having capacity of 1.25 MW and 1.6 MW at Karnataka and Rajasthan respectively.

Changes in the Management

For details of change in Management, please see chapter titled “*Our Management*” on page no 109 of the Draft Prospectus.

Shareholders Agreement

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Prospectus.

Strikes and lock-outs:

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of the Draft Prospectus, our employees are not unionized.

Holding Company:

As on the date of the Draft Prospectus, our Company is not a subsidiary of any company.

Details of Subsidiaries

As on the date of the Draft Prospectus, our Company doesn’t have any subsidiary company.

Other Agreements

Our Company has not entered into any other material agreements, other than disclosed in the Draft Prospectus. For further details please refer to the chapter titled “*Outstanding Litigation and Material Developments*” and “*Material Contracts and Documents for Inspection*” beginning on page 167 and 251 respectively of the Draft Prospectus.

Strategic Partners

Our Company does not have any strategic partners as on the date of filing the Draft Prospectus.

Financial Partners

Our Company does not have any financial partners as on the date of filing the Draft Prospectus.

Guarantee, if any, given to third parties “by the Promoters” offering their shares in the proposed offer for sale

Not Applicable.

OUR MANAGEMENT

Currently our Company has 5 (Five) Directors, out of which 3 (Three) are Non-executive Independent Directors.

The following table sets forth the details regarding the Board of Directors as on the date of filing of the Draft Prospectus:

Sr. No.	Name, Father's/ Husband's Name, Age, Designation, Address, Experience, Occupation, Qualifications & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
1.	Mr. Ajayprakash Kanoria S/o Late Murlidhar Kanoria Age: 58 Years Designation: Chairman and Managing Director Address: Kanoria Bhavan, Ghat Road, Nagpur – 440 018, Maharashtra, India Experience: 35 Years Occupation: Business Qualification: B.Com., Chartered Accountant (Intermediate) DIN: 00041279	Originally appointed as Director w.e.f. July 27, 1995 Appointed as Managing Director w.e.f. July 17, 2008. W.e.f. from April 1, 2014 his tenure is fixed for 5 years. Liable to retire by rotation.	1,60,625 Shares (9.03%)	1. Nagpur Tools Private Limited 2. Adishree Engineering Private Limited
2.	Mrs. Alka Kanoria W/o Mr. Ajayprakash Kanoria Age: 55 Years Designation: Wholetime Director Address: Kanoria Bhavan, Ghat Road, Nagpur – 440 018, Maharashtra, India Experience: 25 Years Occupation: Business Qualification: Bachelor of Science. DIN: 00041346	Originally appointed as Director w.e.f. December 15, 2000 Appointed as Wholetime Director w.e.f. July 17, 2008. W.e.f. from April 1, 2014 her tenure is fixed for 5 years. Liable to retire by rotation.	3,12,275 Shares (17.56%)	1. Nagpur Tools Private Limited 2. Adishree Engineering Private Limited
3.	Mr. Rahul Bagdia S/o Mr. Ramesh Bagdia Age: 35 Years Designation: Non Executive Independent Director Address: Flat No. 204, II Himalaya Enclave, Plot. No. 01, Shivaji Nagar, Nagpur- 440 010, Maharashtra, India Experience: 13 Years Occupation: Business Qualification: M.Sc. – Mechanical Engineering, M.Sc. – Electrical Engineering - Systems DIN: 03068623	Appointed w.e.f. April 8, 2015 for a period of 5 years. Not Liable to retire by rotation.	Nil	1. pManifold Business Solutions Private Limited 2. Vibrant Global Capital Limited
4.	Mr. Mahesh Ishwardas Mor S/o Mr. Ishwardas Mor Age: 58 Years Designation: Non Executive Independent Director Address: Mor Bunglow No. 3, Omkar Gaurav Complex, Hazaripahad,	Appointed w.e.f. April 8, 2015 for a period of 5 years. Not Liable to retire by rotation.	Nil	None

Sr. No.	Name, Father's/ Husband's Name, Age, Designation, Address, Experience, Occupation, Qualifications & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
	Seminary Hills, Nagpur - 440 006, Maharashtra, India Experience: 25 Years Occupation: Business Qualification: B.Com. DIN: 07151767			
5.	Mr. Ravindra Ramesh Loiya S/o Mr. Ramesh Loiya Age: 47 Years Designation: Non Executive Independent Director Address: Raj Bhavan, Loiya Marg, Kamptee, Nagpur – 441 002, Maharashtra, India Experience: 25 Years Occupation: Business Qualification: B.Com. DIN: 07158487	Appointed w.e.f. April 24, 2015 for a period of 5 years. Not Liable to retire by rotation.	Nil	None

BRIEF PROFILES OF OUR DIRECTORS

Mr. Ajayprakash Kanoria – Chairman & Managing Director

Mr. Ajayprakash Kanoria is the Chairman and Managing Director of our Company. He holds a Bachelor's degree in Commerce from Nagpur University and has also passed intermediate level of Chartered Accountancy course. He has an experience of 35 years in the cutting tools industry. He has acquired the technical expertise from his father when he joined his family business. Mr. Ajayprakash Kanoria is guiding force behind the strategic decisions of our Company and looks after the all prominent activities of our Company including but not limited to planning and formulating the overall business strategy and developing business relations for our Company. With his strategic planning and strong business development attitude, he can solely be credited for the growth of Company. With his precision for the quality of products manufactured under the Brand the Company has been able to gain the trust and appreciation of the customers for its products. He is one of the Promoters and first Director of our Company.

Mrs. Alka Kanoria – Whole-time Director

Mrs. Alka Kanoria, aged 55 years is a Whole-time Director of our Company. She holds a Bachelor's Degree in Science from Lucknow University. With her strong management skills, she handles the administrative office in a very planned and systematic manner. She was appointed as the Director of our Company on December 15, 2000 and designated at current position w.e.f. July 17, 2008.

Mr. Rahul Bagdia, Non Executive Independent Director

Mr. Rahul Bagdia is Non Executive Independent Directors of our Company. He has more than 13 years of professional experience in Business, Technology, Research & Development, Emerging Markets Modeling & Market Development in USA, Europe and India. Mr. Bagdia holds Dual Masters in Mechanical Engineering and Electrical Engineering Systems from the University of Michigan, Ann Arbor, USA. He is Co-founder and Director of pManifold Business Solutions Private Limited, a Global Management Consulting company that enables emerging businesses to improve, scale-up and/or diversify sustainably through its services in Consulting, Research, Stakeholder Engagement and Training. He is also an Independent Director of Vibrant Global Capital Limited. With his vast business experience and corporate insightfulness, he contributes his professional competency as an Independent Director to our Company. He was appointed as an Independent Director of our Company w.e.f. from April 8, 2015.

Mr. Mahesh Ishwardas Mor – Non Executive Independent Director

Mr. Mahesh Mor is Non Executive Independent Directors of our Company. He holds a Bachelor's degree in Commerce from Nagpur University. He has more than 25 years of business experience in managing a soft drink bottling plant, micro

financing, consumer durables, vehicles investments, etc. He keeps himself abreast with the developments in various industries and is good at analyzing the financial strategies of Companies. With his financial expertise and enriching experience, he provides insightful inputs as the Independent Director of our Company. He was appointed as an Independent Director of our Company w.e.f. from April 8, 2015.

Mr. Ravindra Ramesh Loiya – Non Executive Independent Director

Mr. Ravindra Loiya is Non Executive Independent Directors of our Company. He holds a Bachelor's degree in Commerce from Nagpur University. He has more than 25 years of rich experience in steel industry, real estate business, etc. As an Independent Director of our Company, his business acumen provides the requisite value addition to our Company. He was appointed as an Independent Director of our Company w.e.f. from April 24, 2015.

Nature of any family relationship between any of our Directors

Except for Mr. Ajayprakash Kanoria who is the Husband of Mrs. Alka Kanoria, none of our Directors are related to each other.

Confirmations

We confirm that:

- We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Directors were selected as Directors.
- The terms of appointment with our Managing Director do not provide for any benefit upon termination of employment except the retirement benefits as applicable by law.
- None of our Directors is/ was a Director in any listed Company, during the last five years from the date of filing of Draft Prospectus, whose shares have been/ were suspended from being traded on the BSE Limited and/or National Stock Exchange of India Limited.
- Further, none of our Directors is/was a Director of any listed Company which has been/was delisted from any recognized Stock Exchange(s).

Details of Borrowing Powers of Directors

Our Board of Directors are not authorised to borrow money for the purpose of business of our Company exceeding limits specified in Section 180(1)(c) of the Companies Act, 2013.

Compensation of our Managing Director and Whole-time Director

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 2013, for the time being in force).

The following compensation has been approved for Managing Director and Whole-time Director:

Mr. Ajayprakash Kanoria, Chairman & Managing Director: He was originally appointed as the Managing Director of our Company w.e.f. July 17, 2008. The current terms of his remuneration have been approved pursuant to a resolution passed by the Board of Directors of the Company in their Meeting held on May 29, 2015. The details of those approved terms of remuneration are as follows:

Consolidated remuneration w.e.f. from April 1, 2015	₹ 3,00,000.00 per month plus 3% of the Net Profits of the Company subject to maximum of 5% of the Net Profits of the Company in aggregate.
Amount of compensation paid during the F. Y. 2013-14	A. Salary: ₹18,00,000.00 B. Remuneration: ₹ 35,90,978.00

Mrs. Alka Kanoria, Whole-time Director: She was originally appointed as the Whole-time Director of our Company w.e.f. July 17, 2008. The current terms of her remuneration have been approved pursuant to a resolution passed by the Board of Directors in their Meeting held on May 29, 2015. The details of those approved terms of remuneration are as follows:

Consolidated remuneration w.e.f. from April 1, 2015	₹ 1,00,000.00 per month plus 2% of the Net Profits of the Company subject to a maximum of 5% of the Net Profits of the Company in aggregate.
Amount of compensation paid during the financial year ended 2013-14	₹ 3,60,000.00

Bonus or Profit Sharing Plan for our Directors

Except the Profit Sharing as disclosed in compensation to our Managing Director and Whole-time Director we have no bonus or profit sharing plan for our Directors.

Sitting Fees

The Articles of Association of our Company provides for payment of sitting fees to Directors for attending a meeting of the Board or a Committee thereof within the applicable maximum limits. Our Board of Directors have resolved in their meeting dated May 5, 2015 for payment of an amount of ₹ 10,000 (Rupees Ten Thousand only) to all Non-executive Directors for attending each such meeting of the Board or Committee thereof.

Our Independent Directors were appointed on our board post completion of the F.Y. 2014-15, hence no compensation has been paid to them for the period ended January 31, 2015 or F.Y. 2013-14.

Interest of Directors

All the Directors of our Company may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses and/or sitting fees payable to them as per the applicable laws, and the Articles of Association.

The Directors may also be regarded as interested in the Equity Shares, dividend payable thereon and other distributions in respect of the said Equity Shares, if any, held by or that may be subscribed by and allotted/transferred to them or by their relatives or by the companies, firms or HUFs, in which they are interested as Directors, Members, Partners, Trustees or Promoters, pursuant to this Issue. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or Partnership firms in which they are Partners or HUFs in which they are members.

The Managing Director and other Directors of our Company are interested to the extent of remuneration paid to them for services rendered as officer or employee of our Company. Further, the Directors are also interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company.

Shareholding of our directors in our Company as on the date of this Draft Prospectus

Sr. No.	Name of Director	No. of Shares held	Holding in %
1.	Mr. Ajayprakash Kanoria	1,60,625	9.03%
2.	Mrs. Alka Kanoria	3,12,275	17.56%

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company. None of the Independent Directors of Company holds any Equity Shares of our Company as on the date of the Draft Prospectus.

Except as stated otherwise in the Draft Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding 2 (two) years from the date of the Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Further our Directors are interested in our Company as under:

Sr. No.	Name of Director	Nature of Interest
1.	Mr. Ajayprakash Kanoria	1. Extended personal guarantee for Credit facilities availed by the Company from Bank of Maharashtra
2.	Mrs. Alka Kanoria	1. Extended personal guarantee for Credit facilities availed by the Company from Bank of Maharashtra

Except as stated in this section "**Our Management**" or the section titled "**Financial Information of the Company - Related Party Transactions**" beginning on page 78 and 151 respectively of the Draft Prospectus, and except to the extent

of shareholding in our Company, our Directors do not have any other interest in our business.

Our Company has not acquired any property in last 2 (two) years preceding the date of filing this Draft Prospectus.

Changes in Board of Directors in Last 3 Years

Sr. No.	Name	Date of Appointment	Reasons for Change
1.	Mr. Rahul Bagdia	April 8, 2015	Appointment as Non-Executive Independent Director
2.	Mr. Mahesh Mor	April 8, 2015	Appointment as Non-Executive Independent Director
3.	Mr. Ravindra Loiya	April 24, 2015	Appointment as Non-Executive Independent Director

COMPLIANCE WITH CORPORATE GOVERNANCE

The provisions of the NSE EMERGE Listing Agreement to be entered into with National Stock Exchange of India Limited with respect to corporate governance and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the NSE EMERGE platform of National Stock Exchange of India Limited. Our Company is in compliance with Corporate Governance Code as per Clause 52 of SME Listing Agreement to be entered into with National Stock Exchange of India Limited on listing. The requirements pertaining to broad basing of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration/Compensation Committees have already been complied with.

Our Board of Directors consists of 5 (five) directors of which 3 (three) are Non-Executive Independent Directors (as defined under Clause 52), which constitutes more than 50% of the Board of Directors, which is in compliance with the requirements of Clause 52. Our Company has already constituted the following committees:

A. Audit Committee

Our Company has formed the Audit Committee vide Resolution passed in the meeting of the Board of Directors dated May 05, 2015. The constituted Audit Committee comprises of the following members:

Name of the Member	Status in the Committee	Nature of Directorship
Mr. Mahesh Mor	Chairman	Non-Executive Independent Director
Mr. Rahul Bagdia	Member	Non-Executive Independent Director
Mr. Ajayprakash Kanoria	Member	Chairman and Managing Director

The Company Secretary of our Company shall act as the Secretary to the Committee. The Chairman of the Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts. The terms of reference of Audit Committee complies with requirements of both clause 52 of the NSE SME listing agreement and section 177 of the Companies Act, 2013. The scope and function of the Committee and its terms of reference shall include the following:

- Tenure:** The Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.
- Meetings of the Committee:** The Committee shall meet at least 4 (four) times in a year and not more than 4 (four) months shall elapse between any two meetings of the Committee. The quorum for the meeting shall be either 2 (two) members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.
- Meeting of the Committee** shall be called by at least 7 (seven) days notice in advance or shorter notice if all the members agree in writing or through electronic mode.
- Role and Powers:** The Role of Audit Committee together with its powers shall be as under:
 - Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
 - Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
 - Approving payment to statutory auditors for any other services rendered by the statutory auditors;
 - Approving initial or any subsequent modification of transactions of the Company with related parties;

- Scrutinizing inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices along with reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly/ half yearly, as may be required, financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with the internal auditors any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- Reviewing the functioning of the Vigil Mechanism/Whistle Blower mechanism, in case the same is existing;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee in the Companies Act 2013 or contained in the equity listing agreements as and when amended from time to time.

5. Further, the Audit Committee shall mandatorily review the following:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor.

B. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee vide Resolution passed in the meeting of the Board of Directors dated May 05, 2015. The Stakeholders Relationship Committee comprises of the following members:

Name of the Member	Status in the Committee	Nature of Directorship
Mr. Mahesh Mor	Chairman	Non-Executive Independent Director
Mr. Ravindra Loiya	Member	Non-Executive Independent Director
Mr. Rahul Bagdia	Member	Non-Executive Independent Director

The Company Secretary of our Company shall act as the Secretary to the Committee. The scope and function of the Committee and its terms of reference shall include the following:

- 1. Tenure & Meetings:** The Committee shall meet at least at least 4 (four) times a year with maximum interval of 4 (four) months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.
- 2. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
 - Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
 - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
 - Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances;
 - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties;
 - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved by them;
 - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted meeting,
 - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

C. Nomination and Remuneration / Compensation Committee:

Our Company has constituted the Nomination and Remuneration / Compensation Committee as Nomination and Remuneration Committee, vide Resolution passed in the meeting of the Board of Directors dated May 05, 2015. The constituted Nomination and Remuneration Committee comprises of the following members:

Name of the Member	Status in the Committee	Nature of Directorship
Mr. Mahesh Mor	Chairman	Non-Executive Independent Director
Mr. Ravindra Loiya	Member	Non-Executive Independent Director
Mr. Rahul Bagdia	Member	Non-Executive Independent Director

The Company Secretary of our Company shall act as the Secretary to the Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

The scope and function of the Committee and its terms of reference shall include the following:

- 1. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- 2. Meetings:** The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Remuneration Committee shall be called by at least seven day's notice in advance.
- 3. 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.;

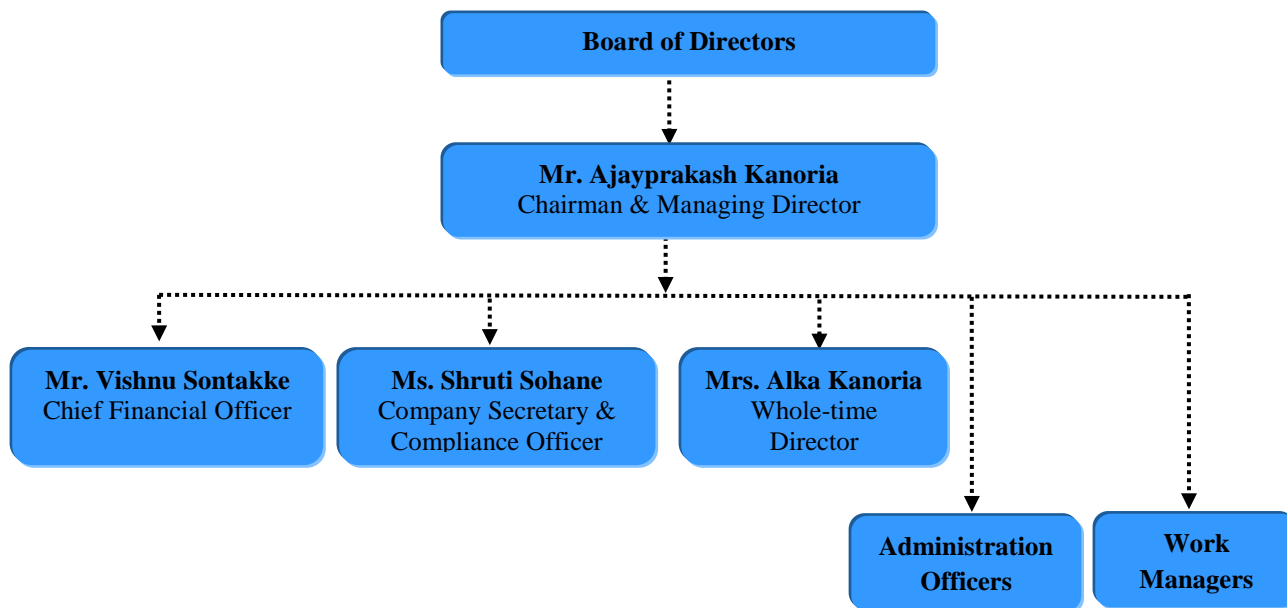
Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of the Regulation 8 and 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of National Stock Exchange of India Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended on listing of Equity Shares on the Stock Exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Ms. Shruti Sohane, Compliance Officer and Compliance Officer of our Company will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

OUR ORGANISATION CHART

The following chart depicts our Management Organization Structure:



Key Managerial Personnel

Our Company is supported by a team of qualified employees and professionals having sufficient exposure in various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age	Date of Joining	Compensation paid for F.Y. 2013-14	Overall experience	Previous employment
Name: Mr. Ajayprakash Kanoria Designation: Managing Director Qualifications: B.Com, C.A. (Intermediate)	58	July 17, 2008	₹ 53,90,978.00	35 Years	-
Name: Mrs. Alka Kanoria Designation: Whole-time Director Qualifications: B. Sc.	55	July 17, 2008	₹ 3,60,000.00	25 Years	-
Name: Mr. Vishnu Sontakke Designation: Chief Financial Officer Qualifications: M. Com.	51	September 04, 2000 Appointed as CFO w.e.f. April 15, 2015	₹ 2,61,500.00	31 Years	Speedicut Industrial Products
Name: Ms. Shruti R. Sohane Designation: Company Secretary and Compliance Officer Qualifications: B.Com, Company Secretary	26	April 10, 2015	Not Applicable	-	-

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL
Mr. Ajayprakash Kanoria – Chairman & Managing Director, Age: 57 Years

Mr. Ajay Kanoria is the Chairman and Managing Director of our Company. He holds a Bachelor's degree in Commerce from Nagpur University and has also passed intermediate level of Chartered Accountancy course. He has an experience of 35 years in the cutting tools industry. He has acquired the technical expertise from his father when he joined his family business. Mr. Kanoria is guiding force behind the strategic decisions of our Company and looks after the all prominent activities of our Company including but not limited to planning and formulating the overall business strategy and developing business relations for our Company. With his strategic planning and strong business development attitude, he can solely be credited for the growth of Company. With his precision for the quality of products manufactured under the Brand the Company has been able to gain the trust and appreciation of the customers for its products. He is one of the Promoters and first Director of our Company.

Mrs. Alka Kanoria – Whole-time Director, Age: 55 Years

Mrs. Alka Kanoria, aged 55 years is a Whole-time Director of our Company. She holds a Bachelor's Degree in Science from Lucknow University. She has an experience of 25 years in the Company. With her strong management skills, she is handling the administrative office and departments in a very planned and systematic manner. She was appointed as the Director of our Company since December 15, 2000.

Mr. Vishnu Sontakke, aged 52 years, has done his Masters in Commerce from Nagpur University. He has 31 years of experience in accounting practices. He has working knowledge in Excise related filings and maintenance of records, Custom related documentation, Service tax, TDS, VAT etc. At present, he is Chief Financial Officer of our Company and he looks after the financial, accounting, taxation and other statutory matters related to Our Company.

Ms. Shruti Sohane, aged 26 years, is the Company Secretary and Compliance Officer of the Company. She has qualified the Company Secretary course from the Institute of Company Secretaries of India, New Delhi, and holds associate membership of the same. She is also commerce graduate from University of Nagpur.

We confirm that:

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company, except for those who are on probation pending confirmation.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- c. None of our KMPs is related to our Promoter or our Directors except Mr. Ajayprakash Kanoria who is husband of Mrs. Alka Kanoria.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2014.
- e. Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel except for our Managing Director.
- g. Other than Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria, who holds 1,60,625 and 3,12,275 equity shares of our Company respectively, none of the Key Managerial Personnel of our Company hold any shares of our Company as on the date of filing of the Draft Prospectus.
- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which we belong.

Changes in the Key Managerial Personnel in last 3 (three) years:

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year from the date of filing this Draft Prospectus except as stated below:

Sr. No.	Name	Designation	Date of Appointment/Promotion on Current Designation	Reasons
1.	Mr. Vishnu Sontakke	Chief Financial Officer	April 15, 2015	Promoted as CFO
2.	Ms. Shruti R. Sohane	Company Secretary and Compliance Officer	April 10, 2015	Appointment

Interest of our Key Managerial Persons

Other than Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria, none of other KMP of our Company has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of their shareholding, if any in the Company.

None of our KMP has been paid any consideration of any nature from our Company, other than their remuneration and incentive.



Payment of Benefits to Officers of our Company (*non-salary related*)

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super-annuation, rewards except incentives. However our Company has made following ex-gratia payment to employees in last 3 completed financials years.

F.Y.	2011-12	2012-13	2013-14
Ex-gratia payment (in ₹)	5,12,910.00	7,04,291.00	8,68,939.00

OUR PROMOTERS

The Promoters of our Company in terms of this issue are Mr. Ajayprakash Kanoria, Mrs. Alka Kanoria and Ajayprakash Kanoria HUF.

	Mr. Ajayprakash Kanoria, Chairman & Managing Director	
	Qualification	Bachelor of Commerce, Chartered Accountant (Intermediate)
	Age	58 Years
	Address	Kanoria Bhavan, Ghat Road, Nagpur - 440 018, Maharashtra, India
	Experience	35 Years
	Occupation	Business
	Permanent Account Number	ADGPK6780N
	Passport Number	H8319375
	Name of Bank & Bank Account Details	Bank of Maharashtra, Sitabuldi Branch, Nagpur- 440 012, Maharashtra Bank Account No.: 20108059760
	Driving License Number	HR51 19880015920
	Voter Identification Card Number	Voter Identification Card of Mr. Ajayprakash Kanoria is not traceable. A written undertaking dated May 09, 2015 from Mr. Ajayprakash Kanoria is obtained to this effect.
	No. of Equity Shares held in Emkay Taps and Cutting Tools Limited & [% of Shareholding (Pre Issue)]	1,60,625 Equity Shares [9.03%]
	DIN	00041279
	Other Interests	Directorships in Other Companies: 1. Nagpur Tools Private Limited 2. Adishree Engineering Private Limited HUF Ajayprakash Kanoria HUF
	Mrs. Alka Kanoria, Whole-time Director	
	Qualification	Bachelor of Science
	Age	55 Years
	Address	Kanoria Bhavan, Ghat Road, Nagpur-440018, Maharashtra, India
	Experience	25 Years
	Occupation	Business
	Permanent Account Number	AASPK9806A
	Passport Number	L2587726
	Name of Bank & Bank Account Details	Bank of Maharashtra, Sitabuldi Branch, Nagpur- 440 012, Maharashtra Bank Account No.: 20108063573
	Driving License Number	MH31 19960039040
	Voter Identification Card Number	MT/23/135/021577
	No. of Equity Shares held in Emkay Taps and Cutting Tools Limited & [% of Shareholding (Pre Issue)]	3,12,275 Equity Shares [17.56%]
	DIN	00041346
	Other Interests	Directorships in Other Companies: 1. Nagpur Tools Private Limited 2. Adishree Engineering Private Limited HUF Ajayprakash Kanoria HUF

Ajayprakash Kanoria HUF	
Karta	Mr. Ajayprakash Kanoria
Coparceners	Mrs. Alka Kanoria Ms. Apoorvashree Kanoria Ms. Anandita Kanoria
Address	Kanoria Bhavan, Ghat Road, Nagpur – 440 018, Maharashtra, India
Date of Incorporation	February 12,1980
Permanent Account Number	AAFHA0002B
Name of Bank & Bank Account Details	Bank of Maharashtra, Sitabuldi Branch, Nagpur- 440 012, Maharashtra Bank Account No.: 20108001822
No. of Equity Shares held in Emkay Taps And Cutting Tools Ltd & [% of Shareholding (Pre Issue)]	9,98,000 Equity Shares [56.11%]
Other Interests	Nil

Our Company confirm that the Permanent Account Number, Bank Account Number and Passport Number of the above Promoters have been submitted to NSE at the time of filing of the Draft Prospectus with them.

Confirmations from our Promoters

Our Promoters have confirmed that they have not been declared as wilful defaulter by RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past, nor any such proceedings are pending against our Promoters. Our Promoters has further confirmed that they have not been prohibited or debarred from accessing or operating in the capital markets for any reasons, or restrained from buying, selling or dealing in securities, under any order or directions made by SEBI or any other authorities and that no action has been taken against them or any entity promoted or controlled by them by any regulatory authorities.

Our Original Promoters were Mr. Ajayprakash Kanoria and Mr. Devprakash Kanoria, who were the subscribers to the MoA of Our Company. Of our present Promoters Mrs. Alka Kanoria and Ajayprakash Kanoria HUF have acquired the equity shares of the Company as disclosed in below table:

Date of Allotment/Acquisition/Transfer of Fully Paid- up Shares	Nature of Issue	No. of Equity Shares	% of Pre-issue paid up Equity Shares
Ajayprakash Kanoria HUF			
22.04.1996	Allotment	2,00,000	11.25
20.03.2002	Transfer	(5,000)	(0.28)
20.03.2002	Transfer	(10,000)	(0.56)
10.10.2005	Transfer	9,800	0.55
10.10.2005	Transfer	4,500	0.25
17.07.2008	Transfer	(100)	(0.01)
29.09.2008	Allotment	2,39,040	13.44
04.03.2009	Transfer	(39,040)	(2.20)
18.03.2015	Allotment	5,98,800	33.67
Total		9,98,000	56.11
Mrs. Alka Kanoria			
01.10.1996	Allotment	9,900	0.56
02.02.2004	Transfer	10	0.001
02.02.2004	Transfer	15,000	0.84
02.02.2004	Transfer	15,000	0.84
02.02.2004	Transfer	10,000	0.56
29.09.2008	Allotment	1,14,090	6.41
04.03.2009	Transfer	(39,090)	(2.20)
18.03.2015	Allotment	1,87,365	10.53
Total		3,12,275	17.56

**Common Pursuits/Conflict of Interest**

Our Promoters have interest in our Group entities viz. Nagpur Tools Private Limited and Adishree Engineering Private Limited, which are engaged in the line of business similar to our Company.

As on the date of the Draft Prospectus, we cannot assure that our Promoters, Promoter Group/Group Entity will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entities will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For further details, please see **Risk Factors** on page 13. For details of our Promoter Group and Group entities refer to Section titled **Our Promoter Group & Promoter Group Entities** on page 123 of the Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Interest of Promoters in our Company

Our Promoters are interested to the extent of their shareholding in our Company. Also, Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria as the Executive Directors of our Company may be deemed to be interested to the extent of remuneration and other benefits as per the terms of their appointment. Our Promoters may also benefit from holding directorship in our Company.

Further they may be deemed to be interested in our Company to the extent of transactions carried on by our Company with other promoter group entities in which our promoters are interested.. For further details, please refer to section titled **“Related Party Transactions”** on page 151 and **“Interest of Directors”** on page 112 of the Draft Prospectus.

Interest in the property of our Company

Our Promoters doesn't have any Interest in the Property of the Company except to the extent of their shareholding in our Company.

Related Party Transactions

For the transactions with our related parties, please refer to section titled **“Related Party Transactions”** on page 151 of the Draft Prospectus. Except as stated in **“Related Party Transactions”** beginning on page 151 of the Draft Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

Payment or Benefit to Promoters of our Company

For details of payments or benefits paid to our Promoters, please refer to the paragraph **“Compensation of our Managing Director and Whole-time Director”** in the chapter titled **“Our Management”** and **“Capital Structure”** on page 111 and page 43 respectively. Also refer **“Related Party Transactions”** on page 151 forming part of **“Financial Information of the Company”** on page 128 and Paragraph on **“Interest of Promoters”** on page 112 of the Draft Prospectus.

Companies / Firms from which the Promoters has disassociated in last 3 (three) years

Our Promoters have not disassociated themselves from any of the companies, firms or other entities during the last three years preceding the date of the Draft Prospectus:

Other ventures of our Promoters

Save and except as disclosed in the section titled **“Our Promoters”** and **“Our Promoter Group & Group Entities”** beginning on page 119 & page 123 respectively of the Draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/other interests.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled **“Outstanding Litigations and Material Developments”** beginning on page 167 of the Draft Prospectus.

Shareholding of the Promoters and Promoter Group in our Company

Except as disclosed in “*Capital Structure*” on page 43 of the Draft Prospectus, none of the members of our Promoter Group hold any Equity Shares as on the date of filing of the Draft Prospectus.

OUR PROMOTER GROUP AND GROUP ENTITIES

In addition to the Promoters named above, the following natural persons are part of our Promoter Group in terms of Regulation 2(1)(zb) of SEBI ICDR Regulations:

Individuals related to our Promoters:

Relationship	Mr. Ajayprakash Kanoria	Mrs. Alka Kanoria
Father	Late Murlidhar Kanoria	Mr. Chandraprakash Dalmia
Mother	Mrs. Snehlata Kanoria	Mrs. Pushpa Dalmia
Spouse	Mrs. Alka Kanoria	Mr. Ajayprakash Kanoria
Brother	Mr. Brahamprakash Kanoria	Mr. Alok Dalmia
	Mr. Devprakash Kanoria	Mr. Manoj Dalmia
Sister	Mrs. Ratna Agrawala	-
Daughter	Ms. Apoorvashree Kanoria	Ms. Apoorvashree Kanoria
	Ms. Anandita Kanoria	Ms. Anandita Kanoria
Spouse's Father	Mr. Chandraprakash Dalmia	Late Murlidhar Kanoria
Spouse's Mother	Mrs. Pushpa Dalmia	Mrs. Snehlata Kanoria
Spouse's Brother	Mr. Alok Dalmia	Mr. Brahamprakash Kanoria
	Mr. Manoj Dalmia	Mr. Devprakash Kanoria
Spouse's Sister	-	Mrs. Ratna Agrawala

Our Promoter Group as defined under Regulation 2(1)(zb) of the SEBI (ICDR) Regulations, 2009 includes following entities:

Nature of Relationship	Entity
Any Body corporate in which 10 (Ten) percent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member.	1. Nagpur Tools Private Limited 2. Adishree Engineering Private Limited 3. Rishikesh Motors Private Limited 4. Dalmia Extractions Limited 5. Black Caviar Hospitality Private Limited
Any Body corporate in which a body corporate as provided above holds 10 (Ten) percent or more of the equity share capital	
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 10 (Ten) percent of the total	1. Ajayprakash Kanoria HUF 2. Sudarshan Motors (Partnership Firm where Mr. Devprakash Kanoria is a partner)

OUR GROUP COMPANIES

1. Nagpur Tools Private Limited
2. Adishree Engineering Private Limited

Details of Group Companies:

None of our Group Companies are listed with any recognized Stock Exchanges as on the date of the Draft Prospectus.

1. Nagpur Tools Private Limited
2. Adishree Engineering Private Limited

1. Nagpur Tools Private Limited

Main object	To carry on the business to manufacture, import, export, buy, sell, develop & design and otherwise to deal in all kinds of engineering products, tools, cutting tools, machine tools, machined components & parts, jigs & dies, moulds, sheet metal & fabrication works and to undertake heat treatment, machining, annealing and any other job work of any nature.		
Date of Incorporation	December 09, 2004		
CIN	U28930MH2004PTC149927		
PAN	AACCN0244N		
Registered Office Address	Kanoria Bhavan, Ghat Road, Nagpur – 440 018, Maharashtra, India		
Board of Directors*	1. Mr. Ajayprakash Kanoria 2. Mrs. Alka Kanoria		
	(₹ in Lacs, except per share data)		
Audited Financial Information**	For The Year Ended		
	March 31, 2014	March 31, 2013	March 31, 2012
Equity Capital	123.35	123.35	123.35
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	1260.44	1058.90	876.71
Income including other income and exceptional items	401.22	407.20	416.39
Profit/(Loss) after tax	201.54	182.19	172.23
Earnings per share (Face Value of ₹ 10.00 each)	16.34	14.77	13.96
Net asset value per share	112.18	95.85	81.07

*As on date of Draft Prospectus

**As per Audited Financial Statements

Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Name of the Equity Shareholder	No. of Equity Shares held	% of Shareholding
Mrs. Alka Kanoria	2,76,000	22.38
Ajayprakash Kanoria HUF	1,00,000	8.11
Ms. Anandita Kanoria	10,000	0.81
Ms. Apoorvashree Kanoria	31,7,500	25.73
Adishree Engineering Private Limited	4,05,000	32.83
Emkay Taps & Cutting Tools Limited	1,24,700	10.11
Mr. Vishnu K. Sontakke	100	0.01
Mr. Ramkhilawan R. Gupta	100	0.01
Mr. Rahim M. Khan	100	0.01
Total	12,33,500	100.00

Nature and extent of interest of our Promoters

Name	Number of Shares held in Nagpur Tools Private Limited	% of Shareholding
Mrs. Alka Kanoria	2,76,000	22.38
Ajayprakash Kanoria HUF	1,00,000	8.11
Total	3,76,000	30.49

The Promoters of our Company are interested to the extent of the shareholding in Nagpur Tools Private Limited.

Nagpur Tools Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA.

2. Adishree Engineering Private Limited

Main object	To carry on the business to manufacture import, export, buy , sell, fabricate & to deal in all kinds of engineering items, tools, cutting tools, machine tools, jigs, dies, moulds, spare parts, steel fabrication including, furniture, sheet metal works and to undertake job work and fabrication as per design & drawing.		
Date of Incorporation	May 06, 1997		
CIN	U28920MH1997PTC107799		
PAN	AADCA7093D		
Registered Office Address	F-9/8, M.I.D.C, Hingna Road, Nagpur – 440 018, Maharashtra, India		
Board of Directors*	1. Mr. Ajayprakash Kanoria 2. Mrs. Alka Kanoria		
	<i>(₹ in Lacs, except per share data)</i>		
Audited Financial Information**	For The Year Ended		
	March 31, 2014	March 31, 2013	March 31, 2012
Equity Capital	74.02	74.02	74.02
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	185.10	177.46	149.43
Income including other income and exceptional items	69.48	83.17	45.08
Profit/ (Loss) after tax	7.60	28.03	(2.77)
Earnings per share (Face Value of ₹ 100.00 each)	10.27	37.87	-
Net asset value per share	350.07	339.75	301.88

*As on date of Draft Prospectus

**As per Audited Financial Statements

Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Name of the Equity Shareholder	No. of Equity Shares held	% of Shareholding
Mrs. Alka Kanoria	100 (Partly paid, F.V. ₹ 100, Paid up ₹ 10.00)	0.01
Mrs. Pamela Devprakash Kanoria	100 (Partly paid, F.V. ₹ 100, Paid up ₹ 10.00)	0.01
Mr. Ajayprakash Kanoria	12,500	16.89
Ajayprakash Kanoria HUF	4,000	5.40
Saurabh Cutting Tools Private Limited	20,000	27.02
Mr. Ammanullah Hafizullah Khan	7,500	10.13
Nagpur Tools Private Limited	12,000	16.21
Mr. Rahim M. Khan	3,000	4.05
Mr. Ramkhilawan R. Gupta	3,000	4.05
Mrs. Pushpa Chandraprakash Dalmia	6,000	8.11
Mr. Chandraprakash Dalmia	6,000	8.11
Total	74,200	100.00

Nature and extent of interest of our Promoters

Name	Number of Shares held in Adishree Engineering Private Limited	% of Shareholding
Mr. Ajayprakash Kanoria	12,500	16.89
Ajayprakash Kanoria HUF	4,000	5.40
Mrs. Alka Kanoria	100 (Partly paid, F.V. ₹ 100, Paid up ₹ 10.00)	0.01
Total	16,600	22.30

The Promoters of our Company are interested to the extent of the shareholding in Adishree Engineering Private Limited.

Adishree Engineering Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA.

Litigations

For details on litigations and disputes pending against the Group Entities, if any, please refer to the section titled “*Outstanding Litigations and Material Developments*” on page 167 of the Draft Prospectus.

Undertaking / confirmations

Our Promoters and Group Entities confirm that they have not been declared as a willful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Promoters or Promoter Group or Group Entities or persons in control of the Promoters has been

- (i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority or
- (ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of the Promoters is or has ever been a promoter, director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

Our Promoters vide their letter dated May 21, 2015 have submitted that information related to business / financial interest held by their relatives is not accessible. Therefore, the disclosures made in the Draft Prospectus are limited to the extent of information that has been provided by our Promoters in relation to promoter group entities.

Common Pursuits/Conflict of Interest

Our Promoters have interest in our Group entities viz. Nagpur Tools Private Limited and Adishree Engineering Private Limited, which are engaged in the line of business similar to our Company.

As on the date of the Draft Prospectus, we cannot assure that our Promoters, Promoter Group/Group Entities will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entities will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Related business transaction within the Group and their significance on the financial performance of the issuer:

For details relating to the business transactions within the Group entities and their significance on the financial performance of the issuer see the chapter titled “*Financial Information of the Company - Related Party Disclosures*” on page 151 of the Draft Prospectus.

Sales / Purchase/Other Transactions between our Company and Group Entities:

For details relating to sales or purchases or other transactions between our Company and any of our Group entities see the chapter titled “*Financial Information of the Company - Related Party Disclosures*” on page 151 of the Draft Prospectus.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the past five financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

SECTION VI: FINANCIAL INFORMATION OF THE COMPANY**RESTATED FINANCIAL STATEMENTS OF THE COMPANY****INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS**

To,
The Board of Directors,
Emkay Taps & Cutting Tools Ltd.,
B-27 & B-27/1, M.I.D.C.
Industrial Area, Hingna Road,
Nagpur, Maharashtra,
India 440 016

Dear Sir,

Report on Restated Financial Statements:

We have examined the Restated Financial Statements of **Emkay Taps & Cutting Tools Ltd.** (herein after referred as “**the Company**”), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- i. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (“the act”); and Section 26 read with the applicable provisions within Rule-4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the “Act”) and
- ii. The Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time;

Item (IX) of Part (B) of Schedule VIII of Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulations, 2009, as Amended (“the SEBI Regulations”) issued by the SEBI.

- iii. The instructions received from the Company, requesting to examine the financial information referred to above and proposed to be included in the Offer Document of the Company in connection with its proposed initial public offer of equity shares and
- iv. The (Revised) Guidance Note on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India (‘ICAI’)
- v. In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, we, M/s KPRK & Associates. Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the “Peer Review Board” of the ICAI.

Audit of the financial statements for the 10 months period ended on January 31, 2015 and F.Y. ended March 31, 2014, 2013, 2012, 2011 & 2010 was conducted by Company’s statutory auditor, Vijay Agrawal & Company, Chartered Accountants (formerly Vijay Agarwal, Chartered Accountant). This report, in so far as it relates to the amounts included for 10 months period ended January 31, 2015 and F.Y. ended March 31, 2014, 2013, 2012, 2011 & 2010 is based on the audited financial statements of the Company which were audited by the earlier Statutory Auditor, Vijay Agrawal & Company, Chartered Accountants and whose Auditor’s Report has been relied upon by us for the said periods.

1. Financial Information of the Company:

We have examined the attached Restated Statement of Assets and Liabilities of the Company as at **January 31, 2015, March 31, 2014, 2013, 2012, 2011 & 2010 (Annexure-I)**;

Standalone Restated Statement of Profit & Loss of the Company for 10 months period ended **January 31, 2015** and F.Y. ended **March 31, 2014, 2013, 2012, 2011 & 2010 (Annexure-II)**;



The accompanying Standalone Restated Statement of cash Flows of the Company for 10 months period ended **January 31, 2015** and F.Y. ended **March 31, 2014, 2013, 2012, 2011 & 2010 (Annexure-III)** and the significant accounting policies and notes to Standalone Restated Summary Statement (**Annexure-IV**) together with the referred to as ‘Standalone Summary Statements’ as prepared by the Company and approved by the Board of Directors.

2. Based on the examination of these Standalone Summary Statements, we confirm that the restated profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate.
3. We have examined the following regrouped/rearranged Standalone financial information to the Company, proposed to be included in the offer document, as approved by the Board of Directors of the Company and attached to this report:

• Statement of Fixed Assets	Annexure – A
• Statement of Non-current Investments	Annexure – B
• Statement of Non- Current Assets	Annexure – C
• Statement of Trade Receivables	Annexure – D
• Statement of Cash & Cash Equivalents	Annexure – E
• Statement of Short-Term Loans & Advances	Annexure – F
• Statement of Other Current Assets	Annexure – G
• Statement of Share Capital, Reserves and Surplus	Annexure – H
• Statement of Long-Term & Short-Term Borrowings	Annexure – I
• Statement of Principal Terms of Secured Loans and Assets Charged as Security	Annexure – I(A)
• Statement of Terms & Conditions of Unsecured Loans	Annexure – I(B)
• Statement of Deferred Tax (Assets) / Liabilities	Annexure – J
• Statement of Trade Payables & Other Current Liabilities	Annexure – K
• Statement of Short-Term Provisions	Annexure – L
• Statement of Other Income	Annexure – M
• Statement of Related Party Transactions	Annexure – N
• Statement of Segment Reporting	Annexure – O
• Statement of Mandatory Accounting Ratios	Annexure – P
• Statement of Capitalization as at January 31, 2015 and as adjusted for this issue subject to reliance being placed on management representation in respect of post issue figures contained in the Statement of Capitalization	Annexure – Q
• Statement of Tax Shelter	Annexure – R
• Statement of Contingent Liabilities	Annexure – S

Auditor’s Responsibility

Our responsibility is to express an opinion on these restated statements based on our audit. We conducted our audit in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, 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, to the extent applicable;

- a) In the case of Restated Statement of Assets and Liabilities of the Company as at 31st March 2010, 31st March 2011, 31st March 2012, 31st March 2013, 31st March 2014 and 31st January 2015;
 - b) In the case of the Restated Statement of Profit and Loss, of the profit of the Company for the years/period ended on that date; and
 - c) In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the years/periods ended on that date.
4. This report is intended solely for your information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For KPRK & Associates
Chartered Accountants
Firm No. 103051W

Sd/-

CA. Swapnil Agarwal
Partner
M. No. 121269

Place: Nagpur
Date: June 19, 2015

ANNEXURE IV**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS****NOTE 1: SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of Preparation:**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all aspects with the accounting standards notified under Section 211(3C) (which continues to be applicable in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and other relevant provisions of the Companies Act, 1956.

2. Use of estimates:

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful life of depreciable assets. Future results could differ due to changes in these estimates and the difference between the actual results and the estimates are recognized in the period in which the results are known / materialized.

3. Revenue recognition (AS-9):

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

a. Domestic sales of Taps & Cutting Tools:

Revenues from the domestic sale of taps and cutting tools are recognized upon dispatch from factory, which is when the title passes to the customer.

b. Export sales of Taps & Cutting Tools:

Revenue from the export sale of taps and cutting tools are recognized upon handover to export agency, which is when the title passes to the customer.

c. Scrap sales:

Revenue from the sale of scrap is recognized upon dispatch from factory, which is when ownership passes to the customer.

d. Power Generation Income:

Power generation income is recognized on the basis of electrical units billed to the customer monthly.

e. D.E.P.B License sale:

The sale of D.E.P.B license has been accounted at actual value of sales consideration as and when the license is sold by the Company.

f. Other Income :

Dividends are recorded when the right to receive payment is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable. Gain on sale of asset or investment is recognized at the time of receipt of final payment against the transaction. All other incomes are recognized and recorded on accrual basis following GAAP in India.

4. Fixed assets, depreciation, capital work in progress (CWIP) (AS-10)

Fixed Assets are stated at cost, less accumulated depreciation. Cost includes purchase price including incidental expenses relating to acquisition and installation. Fixed assets exclude individual assets costing less than ₹ 2000 which are not capitalized except when they are part of a larger capital investment.

The company provides depreciation on Written Down Method as per the rate and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on fixed assets is provided on pro-rata basis with reference to the date of addition.

Expenditure incurred during the construction period is treated as Capital Work in progress and allocated to assets as and when the assets are put to use.

Following are the rates of Depreciation:

Type of Asset	Rate Applied
Land & Building	9.50%
Furniture & Fixtures	25.89%
Motor Car	31.23%
Motor Cycle	25.89%
Office Equipments	45.07%
Plant & Machinery	31.23%
Computers	63.16%
Electrical Installation	25.89%
Windmills	12.73%

5. Investments:

The Company holds only Long term investments, which are stated at cost. Provision for diminution is made if necessary to recognize a decline, other than temporary in the value thereof.

6. Inventories:

Inventories is carried at the lower of cost and net realizable value. Cost includes all expenses incurred in bringing the goods to their present location and condition and is determined on a First in First Out basis (FIFO). Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

7. Electricity / Wind Power Units:

Inventory value, if any, is estimated at lower of cost and net realizable value where cost includes all expenses that can be allocated directly to the production of Wind Power units.

8. Foreign Currency Transactions:

Initial recognition:

On initial recognition, all the foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency (*generally rupee*) and the foreign currency at the date of the transaction.

Subsequent recognition:

“As at the reporting date, non-monetary items, which are carried in terms of historical cost, denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All foreign currency monetary assets and liabilities as at Balance Sheet date are translated at the exchange rate prevailing on the Balance Sheet date.

Exchange differences on restatement of all monetary items are transferred to Foreign Exchange Translation Reserve.

9. Tax on Income:

Provision for current tax is made on the basis of estimated taxable income and respectively for the current accounting period in accordance with the provisions of Income Tax Act, 1961.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefits associated with it will flow to the company.

Deferred tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be recognized in future. In situation where the Company has carried forward tax losses, all deferred tax assets are recognized only if virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

10. Employee Benefits:

Short Term Employee Benefit:

Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Post Employment Benefit Plans:

Company’s contribution paid / payable during the year to Provident Fund, Employees State insurance Corporation and Labor Welfare Fund are recognized in the Statement of Profit and Loss.

Contribution to defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to such benefit. The Company provides for gratuity (a defined retirement plan) to all the eligible employees. The benefit is the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an equivalent to 15 days salary payable for each completed year of service to a maximum of ₹ 10 Lakhs. Vesting occurs on completion of 5 years of service.

11. Borrowing Cost:

Borrowing Costs that are directly attributable to the acquisition of qualifying assets are capitalized as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

12. Earnings Per Share:

Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to equity share holders, by the weighted average number of equity shares outstanding during the period.

Diluted Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by weighted average number of equity shares outstanding during the period.

13. Provisions, Contingent Liabilities and Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

The carrying amounts of assets belonging to each cash generating unit ('CGU') are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying amounts exceed the recoverable amount of the asset's CGU, assets are written down to their recoverable amount. Recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

14. Cash & Cash Equivalents:

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments in banks in the form of fixed deposits with an original maturity of three months or less. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

15. Segment Reporting

Company has identified two reporting divisions: 1) Taps & Cutting Tools manufacturing and 2) Wind Power Division. The figures of Segments have been reported in Annexure R of the report.

16. Other Accounting Policies:

These are consistent with the generally accepted accounting practices.

NOTE: 2 CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies followed by the Company in this regard.

NOTE: 3 NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

1. The financial statements for the years ended prior to April 1, 2010 were prepared as per the then-applicable pre-revised Schedule VI of the Companies Act 1956. Consequent to the notification of the revised schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31st 2010, 2011, 2012, 2013, 2014 and January 31st 2015 are prepared as per the revised schedule VI. Accordingly, the figures of the previous years have also been re-classified to conform to classification as per the revised schedule VI. The adoption of revised schedule VI for the figure of the previous year's does not impact recognition and measurement principles followed for the preparation of these financial statement.
2. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjusting , the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

3. SEGMENT REPORTING (AS 17)

Segment Reporting are already reported as per AS-17 of Companies (Accounting Standard) rules, 2006, as amended, in the Annexure – R of the enclosed financial statements.

4. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on March 31, 2014 except as mentioned in Annexure – S, for any of the years covered by the statements.

5. RELATED PARTY DISCLOSURE (AS 18)

Related party transactions are already reported as per AS 18 of Companies (Accounting Standards), Rule, 2006, as amended, in the annexure – N of the enclosed financial statements.

6. AUDITOR'S REMUNERATION:

Amount in ₹

Particulars	Period	For F.Y.				
	01.04.14 to 31.01.15	2013-14	2012-13	2011-12	2010-11	2009-10
a. Statutory Audit & Tax Audit	54,167	65,000	65,000	60,000	60,000	50,000
b. Other Fees	0	0	0	6,000	0	0
Total	54,167	65,000	65,000	66,000	60,000	50,000

7. EARNINGS PER SHARE (AS 20):

Earnings per share have been calculated as under:

Particulars	Period	For F.Y.				
	01.04.14 to 31.01.15	2013-14	2013-14	2013-14	2013-14	2013-14
Net Profit available for appropriation (as restated)	86350443	57387610	49165190	83453786	67643474	41916159
Less: Extraordinary Item	0	0	226183	2077046	(28424)	(5061)
Adjusted Net profit (as restated)	86350443	57387610	48939007	81376740	67671898	41921220
Number of Equity Share outstanding as on the End of reporting Year/Period	711420	846120	846120	846120	846120	846120
Weighted average no. of Equity Shares outstanding during the year/period	1857345	1913250	1913250	1913250	1913250	1913250
Face Value per equity shares (₹)	10.00	10.00	10.00	10.00	10.00	10.00
i. Restated Basic and Diluted Earnings/(losses) Per Share	46.49	29.99	25.58	42.53	35.37	21.91

Notes:

a) Basic and Diluted Earnings per share = $\frac{\text{Adjusted Net Profit (as restated)}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$

b) As there is no dilutive capital in the Company, Basic and Diluted EPS are similar.

c) Figures appearing for basic/diluted EPS have not been annualized for the period ended January 31, 2015.

8. MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

9. CONTRACTUAL LIABILITIES:

All other contractual liabilities connected to the business operations of the company have been appropriately provided for.

10. DISCLOSURE UNDER MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

Under the Micro, small & medium enterprises development Act, 2006 read with the notification no. 8/7/2006 – CDN dated 17/05/2007, certain disclosures are required to be made relating to micro, small and medium enterprises. All the necessary disclosures required by the said Act have been duly disclosed in the Company audited statements as well as in the restated statement.

11. AMOUNTS IN THE FINANCIAL STATEMENTS:

Amounts in the financial statement have been rounded off to the nearest second digit of paisa.

12. PREVIOUS YEAR'S FIGURES:

The Revised Schedule VI has become effective from 1st April, 2010 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Figures of all the previous year's dealt in this statement have been regrouped /reclassified wherever necessary to correspond with the current year's classification /disclosure to the extent possible.

13. SIGNIFICANT DEVELOPMENTS POST BALANCE SHEET DEET

Significant developments in the Company since the last audited/restated balance sheet as on January 31, 2015 till date are as follows:

1. The authorized share capital of the Company as on January 31, 2015 was ₹ 1,00,00,000.00 consisting of 10,00,000 Equity Shares of ₹ 10.00 each which was increased to ₹ 2,00,00,000 consisting of 20,00,000 Equity Shares of face value ₹ 10.00 each pursuant to a resolution of the shareholders dated March 13, 2015.
2. The Company passed the resolution for conversion of from private to public company dated April 8, 2015 and the name of the Company was changed to "Emkay Taps and Cutting Tools Limited" vide a fresh Certificate of Incorporation dated April 24, 2015, issued by the Registrar of Companies, Maharashtra, Mumbai.
3. The Company has issued Bonus Shares in the ratio of 1.5 equity shares for every 1 equity shares held to the then existing shareholders of the Company on March 18, 2015.
4. The Company has appointed Mr. Vishnu Sontakke as Chief Financial Officer of the Company with effect from April 15, 2015.

RESTATED STATEMENT OF ASSETS AND LIABILITIES**ANNEXURE - 1****(Amt in ₹)**

Particulars	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
I. EQUITY AND LIABILITIES						
(1) Shareholder's Funds						
(a) Share Capital	7114200	8461200	8461200	8461200	8461200	8461200
(b) Reserve and Surplus	548941099	487106055	425508415	376343226	292889439	225245966
(2) Share Application money pending allotment	0	0	0	0	0	0
(3) Non-Current Liabilities						
(a) Long-term borrowings	1471564	474265	4047243	27056158	51944525	53630981
(b) Deferred tax liabilities (Net)	20744406	26933147	29956358	31727459	34329683	27811494
(c) Other Long Term Liabilities	0	0	0	0	0	0
(4) Current Liabilities						
(a) Short Term borrowings	0	18098049	14217420	26419675	24425950	23764974
(b) Trade Payable	24342608	14191176	14316911	18652638	6565819	39226580
(c) Other current liabilities	22047101	10654447	7591283	7667795	6947770	3500576
(d) Short term provisions	17763086	15363371	5632670	9848734	3521497	5682569
Total	642424064	581281711	509731500	506176886	429085883	387324340
II. Assets						
(1) Non-current assets						
(a) Fixed assets						
(i) Tangible assets	135715482	155689680	180224603	186965841	182830682	204144515
(ii) Intangible assets	0	0	0	0	0	0
(iii) Capital work-in-progress	0	0	0	0	0	0
(b) Non Current Investment	283867638	244030463	160555087	141012220	94645520	62467766
(c) Long term loans and advances	0	0	0	0	0	0
(d) Other non-current assets	1138445	1113445	1047795	983995	657165	586365
(2) Current assets						
(a) Inventories	101223484	81580824	75432993	71645025	52077727	42149383
(b) Trade receivable	95848492	74491527	69139827	78144756	72410948	49598101
(c) Cash and cash equivalents	12081542	14399900	13911265	5145956	11224948	19716736
(d) Short term Loans & Advances	12230255	9565471	9247166	22097434	15141903	8327511
(e) Other Current assets	318726	410402	172765	181659	96990	333964
Total	642424064	581281711	509731500	506176886	429085883	387324340

Note: The above statement should be read with the significant accounting policies and notes to restated statement of profit and loss account and restated cash flows statement as appearing in Annexure II, III and IV.

RESTATED STATEMENT OF PROFIT & LOSS**ANNEXURE - II**
(Amt in ₹)

Particulars	For the year ended					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Revenue from Operations:						
-Revenue from Sale of Products	304299470	297532413	309650845	346511876	280916420	187299654
-Other Operating Incomes	0	0	0	0	0	0
Net Revenue from operations	304299470	297532413	309650845	346511876	280916420	187299654
Other income	21073153	2565505	5562259	9999578	25215389	3583913
Total Revenue (A)	325372623	300097918	315213104	356511453	306131809	190883567
Expenses:						
Cost of Material, Stores Consumed & Packing Material	52669784	65744389	92132518	101954562	76486487	51698068
Change in inventories of finished goods, WIP, and Stock-in-Trade	(12542197)	(4210177)	(2537267)	(13410707)	(10425905)	(7732505)
Employees benefit expenses	22722352	20575329	18605756	14006591	12849707	9223535
Finance costs	762963	321591	2276668	5393553	7228109	4775031
Depreciation Amortization Expenses	29902518	25692277	28756429	27702558	30099025	11890771
Loss on sale of Fixed assets	0	0	0	0	0	0
Other Expenses	100079409	102200055	103940005	111640376	97528291	58320488
Total Expenses (B)	193594828	210323464	243174109	247286932	213765714	128175389
Profit before exceptional, extra ordinary item and tax (C = A - B)	131777794	89774454	72038995	109224521	92366095	62708178
Exceptional item (D)	0	0	0	0	0	0
Profit before extra ordinary item and tax (E = C - D)	131777794	89774454	72038995	109224521	92366095	62708178
Extraordinary item (F)	0	0	226183	2077046	(28424)	(5061)
Profit before tax (G = E + F)	131777794	89774454	72265178	111301567	92337671	62703117
Provision for Tax						
-Current Tax (Including Tax on Distributed Profit)	51114820	35500000	25300000	34848081	18000000	10500000
-Earlier Year Tax	501272	(89945)	(428911)	9850	176008	(275983)
-Deferred Tax Liability\ (Asset)	(6188741)	(3023211)	(1771101)	(2602224)	6518189	10562941
-MAT Credit Entitlement	0	0	0	(4407926)		0
Tax Expenses for the Year (H)	45427351	32386844	23099988	27847781	24694197	20786958
Restated profit after tax from continuing operations (I = G - H)	86350443	57387610	49165190	83453786	67643474	41916159
Discontinuing operation	0	0	0	0	0	0
Restated profit for the year	86350443	57387610	49165190	83453786	67643474	41916159
Balance brought forward from previous year	412393945	355006335	305841146	222387359	154743886	112827727
Less: Dividend & Tax thereon	0	0	0	0	0	0
Less: Bonus Issue	0	0	0	0	0	0
Less: Premium paid on Buy Back of Shares	0	0	0	0	0	0
Balance Carried to Balance Sheet	498744389	412393945	355006335	305841146	222387359	154743886

Note: The above statement should be read with the significant accounting policies and notes to restated statement of assets and liabilities and restated cash flows statement as appearing in Annexure I, III and IV.

RESTATED CASH FLOW STATEMENT
ANNEXURE - III
(Amt in ₹)

Particulars	For the year ended					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Cash Flow From Operating Activities:						
Profit before tax	131777794	89774454	72265178	111301567	92337671	62703117
Adjustment for:						
Depreciation & Amortisation Expenses	29902518	25692277	28756429	27702558	30099025	11890771
Interest Paid	762963	321591	2276668	5393553	7228109	4775031
Interest Received / Other Non Operative Receipt (Dividend Received)	(21073153)	(2565505)	(5562259)	(9999578)	(25215389)	(3583913)
Operating Profit before Working Capital Changes	141370122	113222818	97736016	134398101	104449416	75785006
Movement in working capital						
Decrease / (Increase) in inventories	(19642661)	(6147831)	(3787968)	(19567298)	(9928344)	3747335
Decrease / (Increase) in trade receivable	(21356965)	(5351700)	9004929	(5733808)	(22812847)	(11262185)
Decrease / (Increase) in short term loans & advances	(2664784)	(318304)	12850267	(6955530)	(6814392)	36420938
Decrease / (Increase) in other current assets	91676	(237637)	8895	(84669)	236974	(13930)
Increase / (Decrease) in trade payable	10151432	(125734)	(4335727)	12086819	(32660761)	35686998
Increase / (Decrease) in other current liabilities	10048738	3063165	(76512)	720025	3447194	877853
Increase / (Decrease) in short term provisions	3045766	(233611)	211821	1540996	561034	1327263
Cash Generated from Operation	121043324	103871165	111611721	116404635	36478273	142569279
Taxes Paid (Net of Refunds)	(52262143)	(25445743)	(29298975)	(25663764)	(20898114)	(7476110)
Net Cash from Operating Activities	68781181	78425422	82312746	90740871	15580159	135093169
Cash Flow Used In Investing Activities:						
Fixed Asset Purchased (Net)	(9928320)	(1157355)	(22015190)	(31837717)	(8785193)	(138655677)
Interest Received / Other Non Operative Receipt (Including Subsidy Received)	21073153	6775535	5562259	9999578	25215389	3583913
Adjustment for:						
Long Term Loan & Advances	0	0	0	0	0	0
Non Current Investments	(39837175)	(83475376)	(19542867)	(46366700)	(32177754)	(30789973)
Non Current Assets	(25000)	(65650)	(63800)	(326830)	(70800)	(188200)
Net Cash flow used in Investing Activities	(28717342)	(77922846)	(36059599)	(68531669)	(15818357)	(166049937)
Cash Flow From Financing Activities:						
Proceeds from issue of shares	0	0	0	0	0	17306990
Payment on Buy Back of Share Capital	(25862400)	0	0	0	0	0
Proceeds from Short term borrowings	(18098049)	3880629	(12202255)	1993726	660976	983781
Proceeds from Long term borrowings	2341215	(3572978)	(23008915)	(24888367)	(1686456)	14458416



Payment of Dividend and tax on it	0	0	0	0	0	0
Interest paid	(762963)	(321591)	(2276668)	(5393553)	(7228109)	(4775031)
Net Cash flow from Financing Activities	(42382197)	(13940)	(37487838)	(28288194)	(8253589)	27974156
Net Increase / (Decrease) in Cash & Cash Equivalents	(2318359)	488636	8765309	(6078992)	(8491788)	(2982612)
Cash & Cash Equivalents at the beginning of the year	14399900	13911265	5145956	11224948	19716736	22699347
Cash & Cash Equivalents at the end of the year	12081542	14399900	13911265	5145956	11224948	19716736

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
3. The above statement should be read with the significant accounting policies and notes to restated statement of assets and liabilities and restated statement of profit and loss as appearing in Annexures I, II and IV

STATEMENT OF FIXED ASSETS**Annexure - A**
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Tangible Assets						
Land	1350000	1350000	1350000	1350000	1350000	1350000
Land & Building	2085822	2266321	2518134	2797927	3108808	3454231
Furniture & Fixtures	227198	290182	354312	425802	464281	528006
Mobile Phone	127373	172549	185118	160542	166116	139823
Office Equipment	766240	635516	734194	586010	621830	564434
Plant & Machinery	56359739	71309065	82795987	76999290	56458300	57984772
Generator	81192	109990	127762	148405	172384	200236
Compressors	486682	659299	410442	476759	553791	138414
Transformers	3590	4863	5649	6562	7622	8853
Air Conditioners	530813	719083	835269	940506	589705	494423
Computer	601952	620662	837508	654079	650261	600406
Computer Software	31008	65906	109843	183071	305119	508532
Inspection Equipment	1390954	1884298	2157428	643782	549189	145600
Electrical Installation	289496	369750	429492	498887	472389	494500
Fax Machine	10695	14488	16829	19548	22706	26374
Building	2835207	3080554	3422838	3803153	4225726	4648522
Pollution Control Equipement	205207	277990	322906	375079	435682	506078
Motor Car	5416876	2038420	1994836	1347773	706167	952863
Motor Cycle	70142	28641	38647	52149	34849	47024
TOTAL (A):-	72870186	85897576	98647192	91469324	70894924	72793095
WIND MILL DIVISION						
Wind Mill (Mysore)	20148024	22555175	26638921	31462054	37158443	43886197
Wind Mill (Rajasthan)	37997272	42536929	50238490	59334463	70077315	82765224
Lease Hold Land	1500000	1500000	1500000	1500000	1500000	1500000
Lease Hold Land (Rajasthan)	3200000	3200000	3200000	3200000	3200000	3200000
TOTAL (B):-	62845296	69792104	81577411	95496517	111935758	131351421
Grand Total (A+B):-	135715482	155689680	180224603	186965841	182830682	204144515

STATEMENT OF NON-CURRENT INVESTMENTS

Annexure - B
(Amt in ₹)

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	Nos.	31-Jan-15	Nos.	31-Mar-14	Nos.	31-Mar-13	Nos.	31-Mar-12	Nos.	31-Mar-11	Nos.	31-Mar-10
Non Current Investment												
(Other Than Trade, as Cost)												
Investment in equity, Unquoted												
(Traded, at Cost)												
Investment in equity, Unquoted												
Aryan Fine Fab Ltd.	41000	62735	41000	62735	41000	62735	41000	62735	41000	62735	41000	62735
Hindustan Developers Corp. Ltd	700	12565	700	12565	700	12565	700	12565	700	12565	700	12565
Nagpur Tools Pvt. Ltd	124700	748200	125000	750000	125000	750000	125000	750000	125000	750000	125000	750000
Pretech Computer Ltd.	2000	41000	2000	41000	2000	41000	2000	41000	2000	41000	2000	41000
Rajendra Pipes Ltd.	3000	33670	3000	33670	3000	33670	3000	33670	3000	33670	3000	33670
Rajendra Steel Ltd.	2500	33545	2500	33545	2500	33545	2500	33545	2500	33545	2500	33545
Rama Phosphates Ltd.	1800	12240	1800	12240	1800	12240	1800	12240	1800	12240	1800	12240
Reylon Pen Co. Ltd.	5000	35250	5000	35250	5000	35250	5000	35250	5000	35250	5000	35250
Total Investment (Unquoted Equity)		979205		981005		981005		981005		981005		981005
Investment in equity, quoted												
Adani Ports & SEZ Ltd.	45000	13196409	0	0	0	0	0	0	0	0	0	0
Alok Industries	2000000	36480646	2000000	36480646	1500000	32326117	1300000	30082670	700000	17689857	0	0
Anantraj Indus Ltd.	60000	3228311	60000	3228311	0	0	0	0	0	0	0	0
Aurobindo Pharma Ltd.	17000	7050017	12000	3581280	0	0	0	0	0	0	0	0
Bombay Dying & Mfg. Co. Ltd.	25976	1867415	0	0	0	0	0	0	0	0	0	0
B. F. Utilities	7000	3651400	7000	3651400	0	0	0	0	0	0	1000	915410
Bharat Bijli Ltd.	0	0	0	0	0	0	0	0	0	0	1000	755230
Bharti Airtel Limited	0	0	16300	5354376	0	0	0	0	0	0	0	0
Biocon Limited	5000	1709629	5000	1709629	0	0	0	0	0	0	0	0
Canara Bank	30000	7950059	20000	5151582	0	0	0	0	0	0	0	0
Century Textiles	30491	6827247	30491	6827247	0	0	0	0	0	0	0	0
Century Enka Ltd.	0	0	60000	8204999	0	0	0	0	0	0	0	0
Dewan Housing Finance Co.	10000	4141550	0	0	0	0	0	0	0	0	0	0
Dena Bank Ltd.	0	0	93000	4444663	53000	4316073	53000	4316073	0	0	145000	8131386
Deepak Fertiliser Ltd.	0	0	0	0	25000	2112575	25000	2112575	25000	2112575	45000	3280831
Escorts Ltd.	70000	8552120	0	0	0	0	0	0	0	0	0	0

*Emkay Taps and Cutting Tools Limited*

EMCO Ltd.	0	0	0	0	0	0	0	0	0	0	20000	1267600
Electrosteel Casting Ltd.	0	0	0	0	0	0	0	0	0	0	150500	4761249
Gaman India Ltd.	5000	1169250	5000	1169250	5000	1169250	5000	1169250	5000	1169250	18350	2251510
Garware Poly	0	0	0	0	0	0	0	0	85000	7321787	0	0
Godrej Industries Ltd.	10008	1104400	10000	1104400	10000	1104400	10000	1104400	10000	1104400	10000	1104400
Gujarat Mineral Dev. Corp. Ltd.	0	0	0	0	0	0	0	0	0	0	6500	238095
Hindustan Construction Ltd.	220000	4494784	20000	1112700	20000	1112700	20000	1112700	20000	1112700	10000	1112700
Hindustan Engineering & Ind. Ltd.	9	1	9	1								
H.D.I.L.	0	0	215000	18148525	165000	16001786	90000	10440538	45000	6936093	0	0
I.D.B.I. Bank Ltd.	70000	8524602	70000	8524602	70000	8524602	70000	8524602	42500	5300884	0	0
I.D.F.C. Ltd.	0	0	0	0	0	0	0	0	0	0	19950	1206827
I.C.F.I. Ltd.	0	0	0	0	0	0	150000	3687500	0	0	0	0
IRB Infrastructure Development Ltd.	85000	10418522	85000	10418522	60000	8978022	46000	7323903	17500	2518975	17500	2518975
JBF India Ltd.	0	0	33750	3841610	33750	3841610	33750	3841610	33750	3841610	33750	3841610
Jaypee Infratech Ltd.	500000	10108222	500000	10108222	0	0	0	0	0	0	0	0
Jindal Saw Ltd.	50000	4476978	0	0	0	0	0	0	0	0	0	0
Jubilant	0	0	12000	1651920	0	0	0	0	0	0	0	0
Karnataka Bank Ltd.	200000	22815512	150000	16143471	138000	14895204	20000	1916048	10000	1085300	23443	2409454
Kesoram Industries Ltd.	0	0	0	0	72000	19182090	72000	19182090	72000	19182090	37955	7876586
Larson & Turbo Ltd.	1500	1426101	1500	1426101	0	0	0	0	0	0	0	0
MCX Ltd.	0	0	15000	4599331	0	0	0	0	0	0	0	0
N.E.P.C. Agro Food Ltd.	5333	92015	5333	92015	5333	92015	5333	92015	5333	92015	5333	92015
Orient Paper & Industries Ltd.	48470	910123	48470	910123	48470	2162326	48470	2162326	48470	2162326	79470	2917186
Orient Cement	48470	1252203	48470	1252203	0	0	0	0	0	0	0	0
Panacea Biot	0	0	10000	1920327	10000	1920327	10000	1920327	10000	1920327	0	0
PTC India Ltd.	60000	1959752	60000	3222693	0	0	0	0	0	0	0	0
Ranbaxy Laboratories Ltd.	0	0	25000	11567147	0	0	0	0	0	0	0	0
Raymond Ltd.	0	0	0	0	0	0	3000	1289970	3000	1289970	0	0
Reliance Industries Ltd.	0	0	1000	1333260	1000	1333260	1000	1333260	1000	1333260	1000	1333260
Rural Electrification	20000	6067113	0	0	0	0	0	0	0	0	0	0
RSWM Ltd.	0	0	15395	1499024	15395	1499024	15395	1499024	0	0	0	0
SKF India Ltd.	0	0	0	0	17800	2530941	17800	2530941	17800	2530941	17800	2530941
Spice Jet Ltd.	0	0	35000	1973061	35000	1973061	35000	1973061	35000	1973061	15000	821261
Supreme Petro. Ltd.	0	0	0	0	0	0	0	0	0	0	14000	362210
Sunflag Iron & Steel Ltd.	0	0	0	0	0	0	0	0	92298	2398324	92298	2398324

Emkay Taps and Cutting Tools Limited

The Federal Bank Ltd.	100000	10816200	0	0	0	0	0	0	0	0	0	0
Tata Elaxsi Ltd.	7000	2216690	7000	2216690	0	0	0	0	0	0	0	0
Tata Motors Ltd.	40000	14130409	0	0	0	0	0	0	0	0	0	0
Thomas Cook (India)	64100	6140465	0	0	0	0	0	0	0	0	0	0
Torrent Power Ltd.	100000	8139858	100000	8139858	0	0	0	0	0	0	0	0
Unitech Ltd.	48000	818400	0	0	0	0	0	0	0	0	0	0
Videocon Industries Ltd.	0	0	0	0	0	0	0	0	10600	1101988	10600	1101988
Welspun Industries Ltd.	0	0	31650	1905323	36650	2204011	36650	2204011	36650	2204011	56650	3389816
Wockhardt Ltd.	26100	11771517	25000	10893750	17000	6041100	17000	6041100	8000	1874960	0	0
Total Investment in (Quoted Equity)		223507919		203808263		133320493		115859995		88256703		56618863
Total Investment in Equity		224487124		204789268		134301498		116841000		89237708		57599868
Investment in Mutual Fund												
Franklin India Prima Fund	12456	5000000	0	0	0	0	0	0	0	0	0	0
Franklin Temp. Mutual Fund	194370	5000000	0	0	0	0	0	0	0	0	0	0
HDFC Cash Management Fund	11037	111204	820968	8254594	6462	64866	1553711	15583800	3237	32756	3078	31154
HDFC Mid Cap Opportunity Fund-Growth	184603	3000000	184603	3000000	184603	3000000	184603	3000000	0	0	0	0
HDFC Mid Cap Opportunity Fund-Growth INF 179	892289	17000000	681051	12000000	681051	12000000	0	0	0	0	0	0
I.D.F.C. Premier Equity Fund	0	0	237845	5000000	237845	5589855	0	0	0	0	0	0
I.D.F.C. Premier Equity Fund - Growth	222481	10950338	0	0	0	0	0	0	0	0	0	0
ICICI Prudential Value Discovery Fund	174339	12000000	76805	5000000	0	0	0	0	0	0	0	0
Sundaram BNP Paribas Select Midcap (HSBC)	343406	6317609	331207	5986402	296946	5375056	296946	5375056	296946	5375056	269156	4836743
Liquid Benchmark ETS Mutual Fund	1	1362	0	199	224	223812	212	212364	0	0	0	0
Total Investment Mutual Fund	2034981	59380514	2332479	39241195	1407131	26253589	2035472	24171220	300183	5407812	272235	4867898
Total Non Current Investment		283867638		244030463		160555087		141012220		94645520		62467766

Market Value of Investments

Aggregate Market Value Quoted Equity	313955843		181912335		120248614		111048310		95351070		83793221
Aggregate Market Value Mutual Fund	102619338		45475960		25538376		23745113		4937716		4548112

STATEMENT OF NON CURRENT ASSETS**Annexure - C**
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Unsecured, Considered Good unless otherwise stated						
Deposits	1138445	1113445	1047795	983995	657165	586365
TOTAL	1138445	1113445	1047795	983995	657165	586365

STATEMENT OF TRADE RECEIVABLES**Annexure - D**
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Outstanding for a period exceeding 6 months (Unsecured and considered Good)						
Unsecured and Considered good	1278800	427703	647916	2754942	36918	209330
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)						
Unsecured and Considered good	94569693	74063824	68491911	75389814	72374030	49388771
TOTAL	95848492	74491527	69139827	78144756	72410948	49598101

STATEMENT OF CASH & CASH EQUIVALENTS**Annexure - E**
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
a. Cash in Hand	67640	61567	41157	62452	50989	88548
b. Balances with Banks						
- In Current Accounts	837900	6829287	8589135	1324269	493993	17410549
- In EEFC A/c	0	0	0	81668	5124295	27574
- In C/C A/c	5629036	1934907	0	1498514	0	0
- In Bank Deposits	5546966	5574139	5280973	2179052	5555671	2190065
TOTAL	12081542	14399900	13911265	5145956	11224948	19716736

STATEMENT OF SHORT-TERM LOANS AND ADVANCES
Annexure - F
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Advance to related party:	0	0	0	0	0	0
Unsecured, Considered Good unless otherwise stated						
Advances to Employees	326904	548457	468308	316053	324549	546142
Advances to parties	5673594	3901362	941436	15758842	8457174	931174
Other Advances	2719931	525539	616943	576144	3573769	1145011
Advances with Revenue Authorities	3509827	4590112	7220479	5446395	2786412	5705184
TOTAL	12230255	9565471	9247166	22097434	15141903	8327511

STATEMENT OF OTHER CURRENT ASSETS
Annexure - G
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Imprest to employees for expenses	146899	30249	67221	16332	96990	333964
Other Debit Balance	171827	380153	105544	165327	0	0
TOTAL	318726	410402	172765	181659	96990	333964

RESTATED STATEMENT OF SHARE CAPITAL, RESERVE AND SURPLUS
Annexure - H
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Share Capital						
Authorised Share Capital						
Equity shares of ₹ 10 each	1000000	1000000	1000000	1000000	1000000	1000000
Share Capital	10000000	10000000	10000000	10000000	10000000	10000000
Issued, Subscribed and Paid up Share Capital						
Equity Shares of ₹ 10 each fully paid up	711420	846120	846120	846120	846120	846120
Share Capital (in ₹)	7114200	8461200	8461200	8461200	8461200	8461200
Total	7114200	8461200	8461200	8461200	8461200	8461200
Reserves and Surplus						
Capital Incentive reserve	2975000	2975000	2975000	2975000	2975000	2975000
Share Premium	42040780	66556180	66556180	66556180	66556180	66556180
Subsidy from D.C.V.L.	970900	970900	970900	970900	970900	970900
Industrial Promotion Subsidy	4210030	4210030	0	0	0	0
Surplus in Profit and Loss account	498744389	412393945	355006335	305841146	222387359	154743886
Total	548941099	487106055	425508415	376343226	292889439	225245966
Grand Total	556055299	495567255	433969615	384804426	301350639	233707166

STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS**Annexure - I**
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Long Term Borrowings						
Term Loans, Vehicle Loans & Business Loans						
From Banks & Financial Institutions						
Vehicle Loan against hypothecation of Vehicle (Daimler Financial Services (I) Pvt. Ltd.	1344299	0	0	0	0	0
Term Loan against hypothecation of all Movable Assets (SIDBI)	0	0	3572978	8303399	13020782	17746471
Term Loan against hypothecation of all Movable Assets (SIDBI)	0	0	0	1676207	3353088	5031644
Term Loan against hypothecation of Wind Mill (Bank of Maharashtra)	0	0	0	16602787	35096890	29420397
Loans and advances from related parties						
From Relative of Director (Smt. Snehlata Kanoria)	100000	100000	100000	100000	100000	100000
From Shareholders	0	0	0	0	0	0
V. S. Nasary (HUF)	0	0	0	0	0	147240
Sanjay Gupta (HUF)	0	0	0	0	0	811464
Loan and advances from Other						
From Shivam Techno Project Ltd.	0	347000	347000	346500	346500	346500
Sales Tax Deferred Liability (MST 95-96)	16336	16336	16336	16336	16336	16336
Sales Tax Deferred Liability (CST 95-96)	10929	10929	10929	10929	10929	10929
Total	1471564	474265	4047243	27056158	51944525	53630981
Current portion of long-term borrowings, included under Other current liabilities	1343916	0	0	0	0	0
Interest accrued but not due, included under other current liabilities (long-term borrowings)						
Total Long-Term	2815480	474265	4047243	27056158	51944525	53630981
Short Term Borrowings						
From Banks-Cash Credit (Bank of Maharashtra), Secured against Hypo. Of Stock of Raw Material, WIP and Finished Goods & Book Debts	0	18098049	14119735	20912382	18875310	15854774
From Banks-Cash Credit (Bank of Maharashtra), Secured against Hypo. Of FDR	0	0	97686	0	0	1357703
From Banks-Packing Credit (Bank of Maharashtra), Secured against Hypo. Of Stock of Raw Material, WIP and Finished Goods	0	0	0	5507293	5550640	6552497
TOTAL	0	18098049	14217420	26419675	24425950	23764974
Interest accrued but not due, included under other current liabilities (short term borrowings)						
Total Short-Term	0	18098049	14217420	26419675	24425950	23764974
Total Long-Term & Short-Term	1471564	18572314	18264663	53475834	76370475	77395955
The above amount includes:						
Secured Borrowings	1344299	18098049	17790398	53002069	75896710	75963486
Unsecured Borrowings	127265	474265	474265	473765	473765	1432469
TOTAL	1471564	18572314	18264663	53475834	76370475	77395955

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Annexure - I(A)
(Amt in ₹)

A. Loan from Banks / Financial Institutions												
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered*	Re-payment	Moratorium	Outstanding amount					
Secured Loan							31.01.15	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
1. SIDBI	Term Loan (Expansion cum upgradation of machineries)	20000000	12.50%	Primary Security : Hypothecation of All Movable Asset	No. of Installment: 17 EMI, Amount of EMI ₹ 11,75,000.00 & Last EMI is 12,00,000.00	9 months	0	0	3572978	8303399	13020782	17746471
2. SIDBI	Term Loan (Expansion of Existing manufacturing Activities)	5000000	11.00%	Primary Security : Hypothecation of All Movable Asset	No. of Installment: 36 EMI, Amount of EMI ₹ 1,39,000.00 & Last EMI is 1,35,000.00	3 months	0	0	0	1676207	3353088	5031644
3. Bank of Maharashtra	Term Loan I (Purchase & Installation Wind Mill)	55000000	9.50%	Primary Security : Hypothecation 2 X 800 Kw Wind Mill	No. of Installment: 36 EMI, Amount of EMI ₹ 15,29,000.00	3 months	0	0	0	16602787	35096890	29420397
4. Bank of Maharashtra CC 20108197609	Working Capital Loan	22500000	11.00%	Primary Security : Hypothecation of Stock of Raw Material, WIP, Finished Goods & Book Debts	On Demand	-	0	18098049	14119735	20912382	18875310	15854774



Emkay Taps and Cutting Tools Limited

5. Bank of Maharashtra CC 20108198319	Working Capital Loan	1800000	10.40%	Primary Security : Against CDR	On Demand	-	0	0	97686	0	0	1357703
6. Bank of Maharashtra Packing Credit	Execution of Export Order	7000000	As per C.O. Guidelines for P.C. & FOBN	Primary Security : Hypothecation of Stock of Raw Material, WIP and Finished Goods	On Demand	-	0	0	0	5507293	5550640	6552497
7. Foreign Letter of Credit Limit	Working Capital requirement	13500000	As per guidelines	Primary Security : Hypothecation of Stock of Raw Material, to be purchased	On Demand	-	0	0	0	0	0	0

B. Vehicle Loans from Banks / Financial Institutions												
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered*	Re-payment	Moratorium	Outstanding amount					
							31.01.15	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
1. Daimler Financial Services (I) Pvt Ltd	Vehicle Loan - Mercedes Benz	3500000	9.99%	Mercedes Benz : MH40 - AC7100	No. of Installment : 36 EMI, EMI Amount : ₹ 111993.00	N.A.	2688215	0	0	0	0	0

STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

Annexure - I(B)
(Amt in ₹)

Repayment Schedule : V. S. Nasary (HUF)		
Rate of Interest : 9%		
Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2009-2010	0	147240
2010-2011	153652	153652
2011-2012	0	0
2012-2013	0	0
2013-2014	0	0
01.04.14 To 31.01.15	0	0
TOTAL	153652	
Repayment Schedule : Sanjay Gupta (HUF)		
Rate of Interest : 8.00%		
Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2009-2010	0	811464
2010-2011	811464	0
2011-2012	0	0
2012-2013	0	0
2013-2014	0	0
01.04.14 To 31.01.15	0	0
TOTAL	811464	

STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

Annexure - J
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Opening Balance (A)						
Opening Balance of Deferred Tax (Asset) / Liability	26933147	29956358	31727459	34329683	27811494	17248553
Closing Balance						
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	(6188741)	(3023211)	(1771101)	(2602224)	6518189	10562941
Closing Balance of Deferred Tax (Asset) / Liability (B)	20744406	26933147	29956358	31727459	34329683	27811494
Current Year Provision (B-A)	(6188741)	(3023211)	(1771101)	(2602224)	6518189	10562941

STATEMENT OF TRADE PAYABLES & OTHER CURRENT LIABILITIES

Annexure - K
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Trade Payables						
For Goods and Expenses	24334733	14191176	14097244	18246388	6563419	13770580
Current maturities of Long-term borrowings						
From Banks & Financial Institutions	1343916	0	0	0	0	0
Advances from customers	177533	247841	489986	2361602	182079	83985
Liabilities for expenses	18095994	7989536	4684226	5115758	6575256	3226156
Other Liabilities						
Payables towards purchase of fixed assets	7875	0	219667	406250	2400	25456000
Other credit balances	2429658	2417071	2417071	190435	190435	190435
TOTAL	46389709	24845624	21908194	26320433	13513589	42727156

STATEMENT OF SHORT-TERM PROVISIONS**Annexure - L**
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Provisions :						
For Income Tax	10150997	10797048	832736	5260622	474381	3196487
For TDS & TCS	729537	1300846	1379646	1052381	1120342	930660
For Dividend (Incl. Tax)	0	0	0	0	0	0
Provision for Employee Benefits	1250656	1066653	946705	1131930	689716	616584
Provision for Expenses	759822	660849	743199	489960	45802	43666
Provision for VAT & CST	1996565	1535760	1560262	1913841	1191256	895172
Excise Provision on finished goods	2807154	0	0	0	0	0
Service Tax Payable	65726	2215	170121	0	0	0
ESIC Payable	2629	0	0	0	0	0
TOTAL	17763086	15363371	5632670	9848734	3521497	5682569

STATEMENT OF OTHER INCOME**Annexure - M**
(Amt in ₹)

Particulars	AS AT					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Recurring Income:						
Interest Income	161150	688715	347433	347286	221468	462752
Misc. Receipt	0	0	262	0	3593	497
Other non operating income	42201	0	0	0	0	0
Non-Recurring Income:						
Net gain / loss from sale of Investments	-					
Short Term Capital Gain / (Loss)	8050127	670492	879345	0	4166741	2993086
Long Term Capital Gain / (Loss)	7569131	(4299005)	(155610)	6514097	18373985	(2046253)
Gain / (Loss) on Mutual Fund	929020	(11513)	0	0	0	0
Dividend Income	3321444	5114266	3031723	1985845	2434917	2144258
Sales Tax Refund	0	3886	0	0	0	0
Duty Draw Back Receipts	9972	9898	52914	59926	0	0
Net gain / loss on foreign currency transaction	990107	388766	1406192	1092423	14686	29572
Total	21073153	2565505	5562259	9999578	25215389	3583913

STATEMENT OF RELATED PARTY TRANSACTION**Annexure - N**

Names of the related parties with whom transactions were carried out during the years and description of relationship:

1	Mr. Ajayprakash Kanoria	Managing Director
2	Mrs. Alka Kanoria	Director
3	Mrs. Snehlata Kanoria	Mother of Managing Director
4	Apoorvashri Kanoria	Daughter of Managing Director
5	Nagpur Tools Pvt. Ltd.	Group Company
6	Adishree Engineering Pvt. Ltd.	Group Company

(Amt in ₹)

1. Transactions with Companies / Entities owned / significantly influenced by directors

Sr. No.	Nature of Transactions	For the year ended					
		31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
A	Loans received						
	1) Nagpur Tools Pvt. Ltd.	0	0	0	0	0	750000
	Loan Given	0	0	0	0	0	0
	Sales						
	1) Adishree Engineering Pvt. Ltd.	0	0	0	272993	0	0
	Job Work Expenses						
	1) Nagpur Tools Pvt. Ltd.	30904960	34722085	36000475	41114815	32061165	20027714
	2) Adishree Engineering Pvt. Ltd.	2194084	2854664	3131261	2437036	1851233	1847726
	Interest						
	1) Nagpur Tools Pvt. Ltd.	0	0	0	0	0	2404
B.	Closing Balance Dr/(Cr)						
	Loan Given	0	0	0	0	0	0
	Salary	0	0	0	0	0	0

(Amt in ₹)

2. Transactions with key management personnel

Sr. No.	Nature of Transactions	For the year ended					
		31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
A	Transaction During the Year						
	Loans Received						
	Mr. Ajayprakash Kanoria	0	0	0	0	3080700	10100000
	Mrs. Alka Ajayprakash Kanoria	0	0	0	0	1050000	6300000
	Directors' Remuneration, Salary, Bonus & Incentive						
	Mr. Ajayprakash Kanoria	10769279	5390978	4690607	6252063	5494644	3081245
	Mrs. Alka Ajayprakash Kanoria	300000	360000	360000	360000	360000	360000

(Amt in ₹)

3. Transaction with Relative of KMP

Sr. No.	Nature of Transactions	For the year ended					
		31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
A	Transaction During the Year						
	Salary						
	Apoorvashree Kanoria	0	0	240000	360000	360000	368400
	Interest						
	Smt. Snehlata Kanoria	0	15000	15000	15000	15000	15000

STATEMENT OF SEGMENT REPORTING**Annexure - O**

(Amt. in ₹)

Particulars	31-Jan-15				31-Mar-14				31-Mar-13			
	Tools	Power	Others	Total	Tools	Power	Others	Total	Tools	Power	Others	Total
Revenues												
Sales to External Customers	282681141	12006295	30685187	325372623	279481255	16577271	4039392	300097918	291836814	17814031	5562259	315213104
Total Segmental Revenues	282681141	12006295	30685187	325372623	279481255	16577271	4039392	300097918	291836814	17814031	5562259	315213104
Segmental Result												
Profit before Interest	98908634	2946936	30685187	132540757	84155448	1901205	4039392	90096045	67640803	1112600	5562259	74315663
(net of allocated corporate expenses)												
Less: unallocated corporate expenses												
(Net of Other Income)												
Operating Profit	98908634	2946936	30685187	132540757	84155448	1901205	4039392	90096045	67640803	1112600	5562259	74315663
Interest (net of income)	557090		205873	762963	321591	0	0	321591	1472733	803935		2276668
Profit before Tax	98351544	2946936	30479314	131777794	83833857	1901205	4039392	89774454	66168070	308665	5562259	72038995
Provision for Tax												
- Current Tax				51616092				35410055				24871089
- Deferred Tax				(6188741)				(3023211)				(1771101)
Profit from Ordinary Activities	98351544	2946936	30479314	86350443	83833857	1901205	4039392	57387610	66168070	308665	5562259	48939007
Extraordinary Items				0				0				226183
Net Profit	98351544	2946936	30479314	86350443	83833857	1901205	4039392	57387610	66168070	308665	5562259	49165190
Particulars	31-Jan-15				31-Mar-14				31-Mar-13			
	Tools	Power	Others	Total	Tools	Power	Others	Total	Tools	Power	Others	Total
Other Information												
Segmental Assets	573477614	68946450	0	642424064	509513166	71768546	0	581281711	426107295	83624205		509731500
Unallocated Corporate Assets	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	573477614	68946450	0	642424064	509513166	71768546	0	581281711	426107295	83624205	0	509731500
Segmental Liabilities	642349160	74904	0	642424064	581206807	74904	0	581281711	508918777	812723	0	509731500
Unallocated Corporate Liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	642349160	74904	0	642424064	581206807	74904	0	581281711	508918777	812723	0	509731500
Capital Expenditure during the year	9966119	0	0	9966119	1157355	0	0	1157355	22119008	0	0	22119008
(Including Movement in CWIP)												
Depreciation	22955710	6946808	0	29902518	13906970	11785307	0	25692277	14837323	13919106	0	28756429

Particulars	31-Mar-12				31-Mar-11				31-Mar-10			
	Tools	Power	Others	Total	Tools	Power	Others	Total	Tools	Power	Others	Total
Revenues												
Sales to External Customers	317112405	17873086	21525963	356511453	267246991	11930255	26954563	306131809	177146658	6507891	7229018	190883567
Total Segmental Revenues	317112405	17873086	21525963	356511453	267246991	11930255	26954563	306131809	177146658	6507891	7229018	190883567
Segmental Result												
Profit before Interest	93330714	(238602)	21525963	114618074	82333734	(9722518)	26954563	99565779	63206671	(2681558)	7229018	67754131
(net of allocated corporate expenses)												
Less: unallocated corporate expenses												
(Net of Other Income)												
Operating Profit	93330714	(238602)	21525963	114618074	82333734	(9722518)	26954563	99565779	63206671	(2681558)	7229018	67754131
Interest (net of income)	2535286	2858266		5393553	3104936	4123173		7228109	3032146	1735368	7517	4775031
Profit before Tax	90795427	(3096869)	21525963	109224521	79228798	(13845691)	26954563	92337670	60174525	(4416926)	7221501	62979100
Provision for Tax												
- Current Tax				30450005				18176008				10500000
- Deferred Tax				(2602224)				6518189				10562941
Profit from Ordinary Activities	90795427	(3096869)	21525963	81376740	79228798	(13845691)	26954563	67643473	60174525	(4416926)	7221501	41916159
Extraordinary Items				2077046				0				0
Net Profit	90795427	(3096869)	21525963	83453786	79228798	(13845691)	26954563	67643473	60174525	(4416926)	7221501	41916159
Particulars	31-Mar-12				31-Mar-11				31-Mar-10			
	Tools	Power	Others	Total	Tools	Power	Others	Total	Tools	Power	Others	Total
Other Information												
Segmental Assets	407232003	98944883		506176886	298197858	113852939		412050797	206422000	132492615		338914615
Unallocated Corporate Assets	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	407232003	98944883	0	506176886	298197858	113852939	0	412050797	206422000	132492615	0	338914615
Segmental Liabilities	488796538	17380347		506176886	376209792	35841005	0	412050797	283963314	54951301	0	338914615
Unallocated Corporate Liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	488796538	17380347	0	506176886	376209792	35841005	0	412050797	283963314	54951301	0	338914615
Capital Expenditure during the year	33322971	0	0	33322971	8785193	0	0	8785193	52655677	86000000	0	138655677
(Including Movement in CWIP)												
Depreciation	11263317	16439241	0	27702558	10683363	19415663	0	30099025	3910141	7980629	0	11890771

STATEMENT OF MANDATORY ACCOUNTING RATIOS**Annexure - P**

(Amt. in ₹)

Particulars	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Net Worth (A)	556055299	495567255	433969615	384804426	301350639	233707166
Net Profit available for appropriation (as restated)	86350443	57387610	49165190	83453786	67643474	41916159
Less: Extraordinary Item	0	0	226183	2077046	(28424)	(5061)
Adjusted Net profit (as restated) (B)	86350443	57387610	48939007	81376740	67671898	41921220
Number of Equity Share outstanding as on the End of reporting Year/Period (C)	711420	846120	846120	846120	846120	846120
Weighted average no. of Equity Shares outstanding during the year/period (D)	1857345	1913250	1913250	1913250	1913250	1913250
Face Value per equity shares (₹)	10.00	10.00	10.00	10.00	10.00	10.00
i. Restated Basic and Diluted Earnings/(losses) Per Share [B/D]	46.49	29.99	25.58	42.53	35.37	21.91
ii. Return on Net Worth [B/C]	15.53%	11.58%	11.33%	21.69%	22.45%	17.94%
iii. Net Asset Value per share (in ₹) [A/C]	781.61	585.69	512.89	454.79	356.16	276.21

Notes:

1. The above ratios are calculated as under:

- a) Basic and Diluted Earnings per share = $\frac{\text{Adjusted Net Profit (as restated)}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$
- b) Return on Net Worth (%) = $\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year/period end}}$
- c) Net Asset Value Per Equity Share = $\frac{\text{Net Worth as at the end of the period/year}}{\text{Number of Equity Shares outstanding at the end of the year/period}}$

2. Net Worth means the aggregate of the paid up share capital, share premium account and reserve and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.

3. Earnings per share (EPS) calculation is in accordance with the Accounting Standard 20 "Earning Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.

4. The figures disclosed above are based on the restated financial information of the Company

5. The Company does not have any revaluation reserves or extraordinary items

6. As there is no dilutive capital in the Company, Basic and Diluted EPS are similar.

7. Net Profit, before extra ordinary items as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

8. Net Asset Value per Share after considering bonus issue of 10,67,130 Equity Shares made on March 18, 2015 and net worth of the Company as on January 31, 2015 works out to ₹312.65.

9. Figures appearing for basic/diluted EPS have not been annualized for the period ended January 31, 2015.

STATEMENT OF CAPITALISATION**Annexure - Q**
(Amt in ₹)

Particulars	Pre-Issue	Post-Issue
	As on 31-Jan-15	
Debt		
Short Term Debt	0	0
Long Term Debt	1471564	1471564
Total Debt	1471564	1471564
Shareholders' Fund (Equity)		
Share Capital	7114200	17785500
Reserve & Surplus	548941099	538269799
Less: Miscellaneous Expenses not W/off	0	0
Total Shareholder's Fund (Equity)	556055299	556055299
Long Term Debt/Equity	0	0
Total Debt/Equity	0	0

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.01.2015

STATEMENT OF TAX SHELTER**Annexure - R**
(Amount in ₹)

Particulars	As at					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Net Profit/(Loss) before taxes (A)	131777794	89774454	72265178	111301567	92337671	62703117
Tax Rate Applicable %						
Minimum Alternate Taxes (MAT) (Including Surcharge)	20.00%	20.00%	20.00%	20.00%	19.93%	16.99%
Tax at Normal Tax Rates (Including Surcharge)	33.99%	33.99%	32.44%	32.44%	33.22%	33.99%
<i>Adjustments</i>						
Add: Depreciation as per Companies act, 1956	29902518	25692277	28756429	27702558	30099025	11890771
Add: STT on Investments (Share Expenses)	463041	235228	43510	102461	220025	105640
Add: Disallowance u/s 40(a)	0	164515	0	0	0	0
Add: Disallowance Expenses	23000	9082	4603	13701	19020	7600
Less: Depreciation as per Income Tax Act, 1961	11652784	12586899	20069030	23147899	51624630	45777362
Less: Long Term Capital Gain / (Loss)	7569131	(4299005)	(155610)	6514097	18373985	(2046253)
Less: Short Term Capital Gain / (Loss)	8050127	670492	879345	0	4166741	2993087
Less: LT / ST Mutual Fund Gain / (Loss)	929020	(11513)	0	0	0	0
Less: Profit on sale of Machinery & Moped	0	0	0	2077046	0	0
Less: Profit on sale of Motor Car	0	0	226183	0	0	0
Less: Exempt Incomes (Dividend)	3321444	5114266	3031723	1985845	2434917	2144258
Net Adjustments (B)	(1133947)	12039963	4753871	(5906167)	(46262203)	(36864443)
Normal Business Income (A - B)	130643847	101814417	77019049	105395400	46075468	25838674
Long Term Capital Gain / (Loss)	7569131	(4299005)	(155610)	6514097	18373985	(2046253)
Short Term Capital Gain / (Loss)	8050127	670492	879345	0	4166741	2993087
LT / ST Mutual Fund Gain / (Loss)	929020	(11177)	0	0	0	0
Gross Total Income	147192125	98174727	77742784	111909497	68616194	26785508
LTCG Exempt U/s 10 (38)	7569131	(4299005)	(155610)	6514097	18373985	(2046253)
Total Taxable Income	139622994	102473732	77898394	105395400	50242209	28831761
Tax Payable as per Normal Rate	39193154	30544325	23105714	31618620	13822641	7751603
Tax Payable as per Special Rate (On Capital Gain)	1346872	98897	131902	0	625011	345302
Surcharge & Education Cess	5391823	4075548	1893866	2576918	1116803	833981
Tax as per Income Tax (C)	45931849	34718770	25131482	34195538	15564455	8930886
Tax Payable as per Minimum Alternate Tax U/s 115 JB of the Income Tax Act, 1961 (D)	27022149	16986140	13861313	21892117	17961921	10311829
Interest Payable U/S 234B, 234C	0	1282499	78570	598695	47929	364179
Net Tax (Higher of C & D)	45931849	36001269	25210052	34794233	18009850	10676008

STATEMENT OF CONTINGENT LIABILITIES**Annexure - S**
(Amt in ₹)

Particulars	For the year ended					
	31-Jan-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Bank Guarantee Issued (L.C.)	3685713	3294317	18560546	0	0	0

STATEMENT OF FINANCIAL INDEBTEDNESS

Brief details on the financial indebtedness of our Company” as on May 31, 2015 is as under:

(Amount in ₹Lacs)

Secured Loan

A. Loan from Banks / Financial Institutions						
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered*	Re-payment	Outstanding amount as on May 31, 2015
Bank of Maharashtra	Working Capital requirement	225.00	11.00%	Primary Security: Hypothecation of Stock of Raw Material, WIP, Finished Goods & Book Debts	On Demand	Nil
Bank of Maharashtra	Working Capital requirement	18.00	10.40%	Primary Security : Against FDR	On Demand	22.86
Bank of Maharashtra Packing Credit	Execution of Export Order	70.00	As per C.O. Guidelines for P.C. & FOBN	Primary Security : Hypothecation of Stock of Raw Material, WIP and Finished Goods	On Demand	Nil
Foreign Letter of Credit Limit	Working Capital requirement	135.00	As per guidelines	Primary Security : Hypothecation of Stock of Raw Material, to be purchased	On Demand	Nil
B. Vehicle Loans from Banks / Financial Institutions						
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered*	Re-payment	Outstanding amount as on May 31, 2015
Daimler Financial Services (I) Pvt. Ltd.	Vehicle Loan - Mercedes Benz	35.00	9.99%	Mercedes Benz : MH40 - AC7100	No. of Installment : 36 EMI, EMI Amount : ₹ 111993.00	24.47

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page 13 and "Forward Looking Statements" beginning on page 12, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for 10 months period ended January 31, 2015 and as of & for the fiscal years ended March 31, 2010, 2011, 2012, 2013 and 2014, including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of the Company" on Page No. 128 of the Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.

Our Company was originally incorporated on July 27, 1995 as a Private Limited Company under the name and style of 'Emkay Taps and Cutting Tools Private Limited' under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting held on April 08, 2015 and the name of our Company was changed to 'Emkay Taps and Cutting Tools Limited' vide a fresh Certificate dated April 24, 2015 issued by the Registrar of Companies, Maharashtra, Mumbai.

Our Company was incorporated with the main object to take over the business of a proprietorship concern carrying on business in the name of 'Emkay Tools'. Thereafter, pursuant to an agreement dated April 1, 1996 entered between Ajayprakash Kanoria HUF, the then proprietor of Emkay Tools and our Company, our Company took over the assets and liabilities of Emkay Tools as a going concern with all its rights and obligations with effect from April 01, 1996. The said agreement was approved by the Board of Directors of the Company in their meeting held on March 25, 1996.

Our Company sells its varied range of products under the registered brand name "EMKAY TOOLS". Our advancement in threading tool designs and production have resulted in very high quality thread cutting taps, setting new standards in productivity and performance in taps.

Our Company has gained its customers' trust and support through total commitment to consistent technological advancement. Earlier, the manufacturing of taps was undertaken by our Company using machines with conventional technology. Eventually, with technological advancements in the industry, we upgraded our machines and equipments to state-of-the-art technology that are used by manufacturers the world over. These machines conform to the modern CNC technology. This latest technology is used throughout the manufacturing process for all applications for improved processes like Center less Grinding, Flute Grinding, Thread Grinding, Chamfer Grinding etc.

Also, over the years, major changes have occurred in various auto component materials. In line with these developments, it became necessary to come-up with suitable taps by making changes in the geometries and also raw material for taps. Thus, our Company is now having different designs for various types of taps for different materials. Our improved and précised designs are able to achieve better results in terms of CPC, Thread Finish, etc. Also, the improved designs with high wear resistant Coating, High Cobalt Steel, PM Steel, have provided better results in terms of Spindle Power Requirement, Thread Finish, Life Increase, bringing down CPC etc.

OUR COMPETITIVE STRENGTHS:

We consider that we have the following competitive strengths:

1. Single Product Company with total tapping solutions

Our Company is a Single Product Company that makes only threads tools. Therefore, we can concentrate on developing specific geometries for different applications. We stock and maintain large inventories of complete range of taps, thus enabling us to meet the client requirements in time. Over the years, we have developed a varied



and diversified product base of threading tools due to the introduction of innovative techniques and variations in the raw materials, designs, shapes, etc. The varieties of taps offered by us which, *inter alia*, include HI-Performance Thread Forming Taps, HI-Performance Spiral Fluted Taps, HI-Performance Spiral Pointed Taps, HI-Performance Taps for Cast Iron Tapping, HI-Performance Special Taps, PM Taps, Carbide Taps, Special Designed Roll Taps, Through Coolant Taps (T.C.H), Special Geometry “Spiral Fluted” Taps, Special Geometry “Spiral Pointed” Taps, Taps With Special Coatings among others are widely used in several critical auto components, ensuring the right product for each customer specific production requirement and timely deliveries has given us a competitive advantage in this high-precision industry.

2. Well Established Manufacturing Facility

We have the latest and one of the largest manufacturing facilities for HSS Taps in the country that is in line with the international manufacturing standards. In the past years, our Company has expanded our capacity and added several State-of-the-Art Machines for improved processes Like Center less Grinding, Flute Grinding, Thread Grinding, Chamfer Grinding and Inspection. We use the latest CNC Thread Grinding and Flute Grinding machines for manufacturing High Performance Taps. This has benefited our manufacturing process significantly in terms of reducing wastage and enabling us to demand a premium for our products. CNC machines normally require High Performance applications for maximum productivity and such application taps are a strong area of our Company.

3. Quality Assurance and Standards:

We believe in providing our customers the best possible quality. Quality standards followed right from the beginning were very stringent, and quality was very well appreciated by all our customers. We are very particular from usage of right quality of steel to following the right procedure for heat treatment. Meticulous attention is provided to the dimensions and geometries of the taps manufactured. Our dedicated efforts towards the quality of products, processes and inputs have helped us gain a competitive advantage over others. There are quality checks in place that prevent any defective material from reaching the customer. We believe that our quality products have earned us a goodwill from our customers, which has resulted in repeat orders from many of them. Our application taps are competing with well-known brands from Germany, Japan and other countries in quality.

4. Long Standing and Established relationships

Our client relationships are established over a period of time as a result of proper client servicing. Over the years with our customized services and solutions to clients we have successfully developed a strong and reliable brand image for our Company with our clients, which provide us a competitive edge over other competitor.

5. Experienced Management Team

Our Promoters have played a key role in developing our business and we benefit from their leadership and significant experience in engineering industry. Our experienced management and employees has successfully expanded our business through proper customization under the guidance of our Promoters and thereby increasing our revenues. Our Promoter Directors, Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria, both have about three decades of experience in field of marketing and manufacturing of machine tools & its related products and have in-depth knowledge of the products and industry in which we operate. Our Promoters are actively involved in our operations and bring to our Company their vision and leadership which we believe has been instrumental in sustaining our business operations. Our Company feels that the strength of any successful organization lies in the experience and guidance of its team leaders and staff alike.

OUR BUSINESS STRATEGY:

We intend to pursue the following principal strategies to leverage our competitive strengths and expand our business:

1. To continue expanding our business by including new products

We intend to explore opportunities to expand our operations by developing new products within our existing lines of business as well as selectively identifying opportunities to expand into new lines of business. Further expanding our business lines will help us to build on existing diversification of our business.

2. Increasing geographical coverage and customer base

Presently, we are based at Nagpur and have developed our reach through many cities throughout the country. Also, we have reached some international customers across the globe. Now, going forward, our Company plans to reach to other nearby markets and capitalize the growth in Investment climate and overall improvement in the business sentiments of the country.

3. To build-up a professional organization

As an organization we believe in transparency and commitment in our work among our work force and with our suppliers, customers, government authorities, banks, financial institutions etc. We have employed experienced persons for taking care of our day to day activities. We also consult with outside agencies on a case to case basis on technical and financial aspects of our business. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

4. Optimal Utilization of Resources

Our Company constantly endeavors to improve our production process, skill up gradation of workers, using latest technology in machineries to optimize the utilization of resources. We regularly analyze our existing raw material procurement and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

For detailed information on our Business please see section titled “*Our Business*” on page 78 of the Draft Prospectus.

Key factors affecting our results of Operation

1. General economic and business conditions in India, in the markets in which we operate and in the local, regional, national and international economies;
2. Increased competition in sector/area/industry in which we operate;
3. Occurrence of natural disasters or calamities affecting the areas in which we have operations
4. Changes in laws and regulations relating to the industry/sector in which we operate;
5. Inability to control raw material cost and supply
6. Our ability to compete with and adapt to the technological advances;
7. Our ability to successfully implement strategy, growth and expansion plans;
8. Changes in political, economic and social conditions in India;
9. Changes in the foreign exchange control regulations, interest rates and tax laws in India;
10. Our ability to attract and retain qualified personnel;
11. Any adverse outcome in the legal proceedings in which we are and we may be involved.
12. Market fluctuations and industry dynamics beyond our control;
13. Conflicts of interest with affiliated companies, the promoter group and other related parties;
14. Contingent Liabilities, environmental problems and uninsured losses and
15. The performance of Financial Markets in India and Globally.

Change in accounting policies in previous 3 (three) years

Except as mentioned in chapter “*Financial Information of the Company*” on page 128, there has been no change in accounting policies in last 3 (three) years.

Summary of the Results of Operation

The following table sets forth select financial data from our restated profit and loss accounts for the period ended January 31, 2015 and for Financial Years ended on March 31, 2014, 2013, 2012 and 2011 and the components of which are also expressed as a percentage of total income for such periods.

(Amount in ₹Lacs)

Particulars	For the 10 month period ended 31.01.15	% of Total Income	For F.Y. ended 31.03.14	% of Total Income	For F.Y. ended 31.03.13	% of Total Income	For F.Y. ended 31.03.12	% of Total Income	For F.Y. ended 31.03.11	% of Total Income
Revenue from Operation	3042.99	93.52%	2975.32	99.15%	3096.51	98.24%	3465.12	97.20%	2809.16	91.76%
Other Income	210.73	6.48%	25.66	0.85%	55.62	1.76%	100.00	2.80%	252.15	8.24%
Total Income	3253.73	100.00%	3000.98	100.00%	3152.13	100.00%	3565.11	100.00%	3061.32	100.00%
Expenditure:										
Cost of Material, Stores Consumed & Packing Material	526.70	16.19%	657.44	21.91%	921.33	29.23%	1019.55	28.60%	764.86	24.98%
Change in inventories of finished goods, WIP, and Stock-in-Trade	(125.42)	-3.85%	(42.10)	-1.40%	(25.37)	-0.80%	(134.11)	-3.76%	(104.26)	-3.41%
Employees benefit expenses	227.22	6.98%	205.75	6.86%	186.06	5.90%	140.07	3.93%	128.50	4.20%
Finance costs	7.63	0.23%	3.22	0.11%	22.77	0.72%	53.94	1.51%	72.28	2.36%
Depreciation Amortization Expenses	299.03	9.19%	256.92	8.56%	287.56	9.12%	277.03	7.77%	300.99	9.83%
Other Expenses	1000.79	30.76%	1022.00	34.06%	1039.40	32.97%	1116.40	31.31%	975.28	31.86%
Total Expenses	1935.95	59.50%	2103.23	70.08%	2431.74	77.15%	2472.87	69.36%	2137.66	69.83%
Profit before exceptional and extraordinary items and tax (A-B)	1317.78	40.50%	897.74	29.92%	720.39	22.85%	1092.25	30.64%	923.66	30.17%
Exceptional & extra-ordinary items:	0.00	0.00%	0.00	0.00%	2.26	0.07%	20.77	0.58%	(0.28)	(0.01%)
Net Profit before tax	1317.78	40.50%	897.74	29.92%	722.65	22.93%	1113.02	31.22%	923.38	30.16%
Provision for Tax:										
-Current Tax (Including Tax on Distributed Profit)	511.15	15.71%	355.00	11.83%	253.00	8.03%	348.48	9.77%	180.00	5.88%
-Earlier Year Tax	5.01	0.15%	(0.90)	-0.03%	(4.29)	-0.14%	0.10	0.00%	1.76	0.06%
-Deferred Tax Liability\ (Asset)	(61.89)	-1.90%	(30.23)	-1.01%	(17.71)	-0.56%	(26.02)	-0.73%	65.18	2.13%
-MAT Credit Entitlement	0.00	0.00%	0.00	0.00%	0.00	0.00%	(44.08)	-1.24%	0.00	0.00%
Restated profit after tax from continuing operations	863.50	26.54%	573.88	19.12%	491.65	15.60%	834.54	23.41%	676.43	22.10%
Profit/ (Loss) from Discontinuing operation	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Restated profit after year for the year	863.50	26.54%	573.88	19.12%	491.65	15.60%	834.54	23.41%	676.43	22.10%

Key Components of Our Profit And Loss Statement***Revenue from operations***

Revenue from operations mainly consists of sale of products (HSS Taps), scrap sales and sale of power generated.

Other income

Other income primarily comprises short term/long term capital gain on investments made and dividend Income etc.

Expenses

Our expenses majorly consist of cost of material and stores consumed, purchases of stock in trade, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

Changes in inventories of finished goods, WIP and stock-in-trade

Changes in inventories of finished goods, WIP and stock-in-trade consist of the difference between the inventory at the beginning of the period and inventory at the end of the period.

Employee benefits expense

Employee benefit expense includes salaries and wages, Company's contribution to Provident Fund and other Employee benefit funds, staff welfare expenses, bonus and performance incentive.

Finance Costs

Finance cost comprises interest on indebtedness and other interest.

Depreciation and amortization expense

We recognize depreciation and amortization expense on a Written Down Value Method as per the rates/useful lives of assets set forth in the Companies Act.

Other expenses

Other expenses consist primarily of various charges like electricity charges, sales promotion expenses, repairs and maintenance expenses, dealer conference expenses, taxes, legal, professional and consultancy charges. Other items in this category include travelling expenses, conveyance expenses, postage and courier charges, communication expenses, auditors' remuneration, insurance charges, vehicle expenses, office expenses, printing and stationery expenses etc.

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE 10 MONTHS PERIOD ENDED JANUARY 31, 2015**Revenue from Operations:**

Our income from operations during the 10 months period ended January 31, 2015 was ₹ 3042.99 Lacs which was 93.52% of our Total Income.

Other Income:

Other income of the Company was ₹ 210.73 Lacs which primarily consists short term/long term capital gain on investments made and dividend Income, comprising 94.29% of the total other Income.

Total Expenses:

The total expenditure during the 10 months period ended January 31, 2015 was ₹ 1935.95 Lacs. The total expenditure represents 59.50% of the total income for the period. The total expenses is majorly represented by cost of material and stores consumed, employee benefits expense, finance costs, depreciation expense, other expenses for administrative and selling and distribution. The main constituent of total expenditure is cost of material and stores consumed, which is ₹ 526.70 Lacs and Other expenses amounting to 1000.79 Lacs which consists of job work expenses of ₹602.86 Lacs.

Profit after tax:

Our restated net profit during the 10 months period was ₹ 863.50 Lacs representing 26.54% of the total income of our Company. Our provision of current taxes for 10 months period ended January 31, 2015 was ₹ 511.15 Lacs.

COMPARISON OF THE FINANCIAL PERFORMANCE OF F.Y. 2014 WITH F.Y. 2013**Revenue from Operations:**

During the F.Y. 2014 the total income of the Company increased to ₹ 3000.98 Lacs as against previous financial year ₹ 3152.13 Lacs, resulting in a low decline in total revenue at 4.80%.

Other Income:

Other income of the Company for F.Y. 2014 was ₹ 25.66 Lacs in comparison with 55.62 Lacs for F.Y. 2013, which primarily consists of capital gains and dividend income.

Total Expenses:

Total expenditure for the F.Y. 2014 also decreased to ₹ 2103.23 Lacs from ₹ 2431.74 Lacs, compared to the previous financial year, decreasing by 13.51%. This was mainly due to decline in volume of business, which also resulted in decrease of 4.80% in total income.

Cost of material & stores consumed:

Cost of material & stores consumed for the F.Y. 2014 amounted to ₹ 657.44 Lacs as against ₹ 921.33 Lacs compare to previous financial year. In percentage terms it amounted to 21.91% of the total income as against 29.23% in the previous year. Decrease in cost of material & stores consumed were attributable to our decreased demand in F.Y. 2014, compared to the previous financial year.

Change in inventories of finished goods, WIP:

Inventories in F.Y. 2014 were ₹ (42.10) Lacs as against ₹ (25.37) Lacs for previous year, which was (1.40)% of the total income as against (0.80)% of total income in the previous year.

Employee benefits expense:

Employee benefits expense increased to ₹ 205.75 Lacs from ₹ 186.06 Lacs in the year F.Y. 2014 i.e. 10.59%.

Finance costs:

Finance costs increase to ₹ 3.22 Lacs in F.Y 2014 as compare to F.Y. 2013 in which it was ₹ 22.77 Lacs. Decrease in amount was due to the long term borrowings our company availed in earlier years in for our wind mill operations.

Depreciation and amortization expense:

Depreciation and amortization expense increased to ₹ 256.92 Lacs from 287.56 Lacs compare to previous year.

Other expenses:

Other expenses for the F.Y. 2014 stood at ₹ 1022.00 Lacs, the same was ₹ 1039.40 Lacs in previous financial year decreasing by 1.67%.

Restated profit after tax:

The Restated profit after tax for the F.Y. 2014 stood at ₹ 573.88 Lacs, compare to F.Y. 2013 it was ₹ 491.65 Lacs. All the factors stated above had the cumulative effect on and our profit after tax increased by 16.72%. Mainly decrease in cost of raw material and decrease in finance cost can be attributed with increased profits.

COMPARISON OF THE FINANCIAL PERFORMANCE OF F.Y. 2013 WITH F.Y. 2012**Revenue from Operations:**

During the F.Y. 2013 the total income from operations of the Company decreased to ₹ 3096.51 Lacs as against previous financial year ₹ 3465.12 Lacs, decreasing by of 10.64% due to inconsistent market condition and overall concerns of economy.

Other Income:

Other income of the Company was ₹ 55.62 Lacs in F.Y. 2013 which primarily consists of capital gains and dividend, in comparison with 100.00 Lacs for F.Y. 2012.

Cost of material & stores consumed:

Cost of material & stores consumed amounted to ₹ 921.33 Lacs for F.Y. 2013 as against ₹ 1019.55 Lacs in F.Y. 2012. In percentage terms, it amounted to 29.23% of the total income as against 28.60% in the previous year.

**Change in inventories of finished goods, WIP:**

Inventories in F.Y. 2013 were ₹ (25.37) Lacs as against ₹ (134.11) Lacs for previous year. This was (0.80)% of the total income as against (3.76)% of total income in the previous year.

Employee benefits expense:

Employee benefits expense increased to ₹ 186.06 Lacs from ₹ 140.07 Lacs in the F.Y. 2013 i.e. 32.84%.

Finance costs:

Finance costs decreased to ₹ 22.77 Lacs in F.Y. 2013 as compare to F.Y. 2012 in which it was ₹ 53.94 Lacs. Decrease in amount was due to the long term borrowings our company availed in earlier years in for our wind mill operations.

Depreciation and amortization expense:

Depreciation and amortization expense increased to ₹ 287.56 Lacs in F.Y. 2013 from 277.03 Lacs compare to previous year. The increase was due to addition to fixed assets during the year.

Other expenses:

Other expenses for the F.Y. 2013 stood at ₹ 1039.40 Lacs where as in F.Y. 2012 the same was ₹ 1116.40 Lacs decreasing by 6.90% on account of decline in volume of business.

Total Expenses:

Total expenditure for the F.Y. 2013 decreased to ₹ 2431.74 Lacs from ₹ 2472.87 Lacs, compare to previous financial year, registering a decrease of 1.66% also on account of decline in volume of business.

Restated profit after tax:

The Restated profit after tax for the F.Y 2013 stood at ₹ 491.65 Lacs, compare to F.Y. 2012 it was ₹ 834.54 Lacs the major difference arising manly due to entitlement of Mat credit of ₹ 44.08 Lacs and deferred tax liability of ₹26.02 and low cost of operation in F.Y. 2012

COMPARISON OF THE FINANCIAL PERFORMANCE OF F.Y. 2012 WITH F.Y. 2011**Revenue from Operations:**

During the F.Y. 2012 the total income from operation of the Company increased to ₹ 3465.12 Lacs as against previous financial year ₹ 2809.16 Lacs, because of surge in volumes resulting in an increase of 23.35%.

Other Income:

Other income of the Company for F.Y. 2012 was ₹ 100.00 Lacs in comparison with 252.15 Lacs for F.Y. 2011, which primarily consists of capital gains and dividend income. This sudden fall was because of huge capital gain F.Y. 2011.

Total Expenses:

Total expenditure for the F.Y. 2012 also increased to ₹2472.87 Lacs from ₹ 2137.66 Lacs, compared to the previous financial year, increasing by 15.68% on account of surge in business volume, which also resulted in increase of 23.35% in total income.

Cost of material & stores consumed:

Cost of material & stores consumed for the F.Y. 2012 amounted to ₹ 1019.55 Lacs as against ₹ 764.86 Lacs compared to previous financial year. In percentage terms it amounted to 28.60% of the total income as against 24.98% in the previous year. Increase in cost of material & stores consumed were attributable to our increased demand in F.Y. 2012, compared to the previous financial year.

Change in inventories of finished goods, WIP:

Inventories in F.Y. 2012 were ₹ (134.11) Lacs as against ₹ (104.26) Lacs for previous year, which was (3.76)% of the total income as against (3.41)% of total income in the previous year.

Employee benefits expense:

Employee benefits expense increased to ₹ 140.07 Lacs from ₹ 128.50 Lacs in the year F.Y. 2014 i.e. 9.00%.

Finance costs:

Finance costs decreased to ₹ 53.94 Lacs in F.Y 2012 as compare to F.Y. 2013 in which it was ₹ 72.28 Lacs.

Depreciation and amortization expense:

Depreciation and amortization expense increased to ₹ 277.03 Lacs in F.Y. 2012 from 300.99 Lacs compared to previous year.

Other expenses:

Other expenses for the F.Y. 2012 stood at ₹ 1116.40 Lacs where as in F.Y. 2011 the same was ₹ 975.28 Lacs increasing by 14.47% on account of growth of business.

Total Expenses:

Total expenditure for the F.Y. 2012 increased to ₹ 2472.87 Lacs from ₹ 2137.66 Lacs, compare to previous financial year, registering an increase of 15.68% also on account of growth of business.

Restated profit after tax:

The Restated profit after tax for the F.Y 2012 stood at ₹ 834.54 Lacs, compare to F.Y. 2011 it was ₹ 676.43 Lacs. The major difference arising manly due to entitlement of Mat credit of ₹ 44.08 Lacs and deferred tax liability of ₹26.02 and low cost of operation in F.Y. 2012

Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**1. Unusual or infrequent events or transactions**

Except as described in the Draft prospectus there has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Other than factors described in chapter titled “*Risk Factors*” and “*Industry Overview*” beginning on page 13 & 67 of the Draft prospectus, we believe There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 13 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by material suppliers and service vendors.

5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices

Increases in revenues can be mainly attributed to increases in volume of business.

6. Status of any publicly announced New Products or Business Segment

Our Company has not announced any new business segment in last 3 years.

7. Seasonality of business

Our Company’s business is not seasonal in nature.

8. Dependence on a single or few customers/ clients

Our company is dependent on certain customers /suppliers up to some extent.

The details of sales derived from top 5 customers in recent periods are given below:

Particulars	For the period April 01, 2014 to January 31, 2015	For the Financial year ended March 31, 2014	For the Financial year ended March 31, 2013
Sales to Top 5 Customers (₹ In Lakhs) (Net of Taxes)	590.97	544.17	806.59
% of Total Sales	20.46	19.06	27.25

The contributions of our top 5 suppliers to our total supplies are as follows:

Particulars	For the period April 01, 2014 to January 31, 2015	For the Financial year ended March 31, 2014	For the Financial year ended March 31, 2013
Purchase from Top 5 Suppliers (₹ in Lakhs) (Net of Tax)	439.19	483.84	698.00
% of Total Raw Material Purchase	90.34	91.83	97.84

9. Competitive conditions

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on page 67 and 78 respectively of the Draft Prospectus.

10. Details of material developments after the date of last balance sheet i.e. January 31, 2015

In our opinion no circumstances have arisen since the date of last financial statement until the date of filing the Draft Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next 12 (twelve) months, except as follows:

1. The authorized share capital of our Company as on January 31, 2015 was ₹ 1,00,00,000.00 consisting of 10,00,000 Equity Shares of ₹ 10.00 each which was increased to ₹ 2,00,00,000 consisting of 20,00,000 Equity Shares of face value ₹ 10.00 each pursuant to a resolution of the shareholders dated March 13, 2015.
2. We have passed the resolution for conversion of our Company from private to public company dated April 8, 2015 and the name of our Company was changed to “Emkay Taps and Cutting Tools Limited” vide a fresh Certificate of Incorporation dated April 24, 2015, issued by the Registrar of Companies, Maharashtra, Mumbai.
3. Our Board has passed a resolution on May 5, 2015 to authorize the Issue.
4. We have issued Bonus Shares in the ratio of 1.5 equity shares for every 1 equity shares held to the then existing shareholders of the Company on March 18, 2015.
5. We have appointed Mr. Rahul Bagdia and Mr. Mahesh Mor as Independent Director on the Board of the Company with effect from April 8, 2015 and Mr. Ravindra Loiya with effect from April 24, 2015.
6. We have appointed Mr. Vishnu Sontakke as Chief Financial Officer of the Company with effect from April 15, 2015.
7. We have appointed Ms. Shruti R. Sohane as Company Secretary and Compliance Officer of Our Company with effect from April 10, 2015

SECTION VII - LEGAL AND OTHER INFORMATION**OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act or Schedule V of Companies Act, 2013) against the Company, its Directors, its Promoter and its Group Entities that would have a material adverse effect on the business of the Company. Except as set out below, there are no defaults, non-payments or overdue of statutory dues, institutional/bank dues that would have a material adverse effect on the business of the Company.

PART 1: CONTINGENT LIABILITIES OF THE COMPANY

For details on contingent liabilities of our Company, please refer Annexure S forming part of our restated financial statements appearing on page 156 of the Draft Prospectus.

PART 2: LITIGATION RELATING TO THE COMPANY**A. FILED AGAINST THE COMPANY****1. Litigation Involving Civil Laws:**

NIL

2. Litigation Involving Criminal Laws.

NIL

3. Litigation involving Securities and Economic Laws

NIL

4. Litigation involving Statutory Laws

NIL

5. Litigation involving Labour Laws

NIL

B. CASES FILED BY THE COMPANY**1. Litigation involving Civil Laws:**

NIL

2. Litigation involving Criminal Laws:

NIL

3. Litigation Involving Securities and Economic Laws:

NIL

4. Litigation Involving Statutory Laws:

1. Appeal dated April 26, 2015 filed by the Company with the Commissioner of Income-tax (Appeals)

The Assistant Commissioner of Income-tax (“**the Authority**”) has issued an Assessment Order (“**Assessment Order**”) under Section 143(3) read with Section 147 of the Income Tax, 1961 (“**the Act**”) dated March 27, 2015, thereby re-opening assessment proceedings for the assessment year 2011-2012 and demanding that penalty proceeding under Section 271 (1)(c) of the Act be initiated against the Company for filing inaccurate particulars by way of inflating purchases and thereby reducing profit/income. The Company has filed its appeal, dated April 26, 2015, under Section 246A (1)(b) of the Act against the aforesaid Assessment Order, inter alia stating that the Authority has erred in regarding the purchases amounting to ₹ 12,61,754/- (Rupees Twelve Lakhs Sixty-One Thousand Seven Hundred and Fifty-Four only) as false and bogus. The matter is at the stage of hearing.

2. Appeal dated April 10, 2013 filed by the Company with the Commissioner of Income-tax (Appeals)

The Assistant Commissioner of Income-tax has issued an Assessment Order (“**Assessment Order**”) under Section 143(3) of the Income Tax, 1961 (“**the Act**”), dated March 26, 2013 thereby re-opening assessment proceedings for the assessment year 2010-2011. As per the Assessment Order, the bills of purchase of raw materials amounting to ₹ 33,58,680/- (Rupees Thirty-Three lakhs Fifty-Eight Thousand Six Hundred and Eighty only) (“**Purchase Amount**”) furnished by the Company, were found to be bogus purchases and were disallowed and added back to the Company’s total income. Consequently, the Purchase Amount was also added to the Company’s book profit shown before paying income tax. Further, penalty proceedings under Section 271 (1)(c) of the Act were ordered to be initiated against the Company for concealing the income. The Company has filed its appeal dated [●] April, 2013 under Section 246A (1)(a) of the Act against the aforesaid Assessment Order, inter alia stating that the Authority has erred in disallowing the Purchase Amount, as the purchases made are genuine and non-bogus; further stating that the Authority had erred in adding the Purchase Amount to the Company’s book profit and in charging interest under Sections 234B and 234C of the Act. The matter is at the stage of hearing.

3. Appeal dated April 13, 2015 filed by the Company before the Appellate Tribunal against the Order issued by the Office of the Commissioner of Income-tax -3, Nagpur dated March 19, 2015

The Assistant Commissioner of Income-tax has issued an Assessment Order (“**Assessment Order**”) under Section 143(3) of the Income Tax, 1961 (“**the Act**”), dated March 26, 2013 thereby re-opening assessment proceedings for the assessment year 2010-2011. As per the Assessment Order, the bills of purchase of raw materials amounting to ₹ 33,58,680/- (Rupees Thirty-Three lakhs Fifty-Eight Thousand Six Hundred and Eighty only) (“**Purchase Amount**”) furnished by the Company, were found to be bogus purchases and were disallowed and added back to the Company’s total income. Consequently, the Purchase Amount was also added to the Company’s book profit shown before paying income tax. Further, penalty proceedings under Section 271 (1)(c) of the Act were ordered to be initiated against the Company for concealing the income. Subsequently, an order dated March 19, 2015 (“**Rectification Order**”) has been passed under Section 263 of the Act, by the Office of the Commissioner of Income-tax -3, Nagpur for setting aside the Assessment Order dated March 26, 2013 and further directing that a fresh assessment be made, as the aforementioned Assessment Order was prejudicial to the interest of revenue. Subsequently, the Company has filed an appeal dated April 13, 2015 before the Appellate Tribunal, against the Rectification Order, inter alia stating that the fresh assessment was improper and unjustified. The matter is at the stage of hearing.

4. Appeal dated August 14, 2010 filed by the Company, with the Appellate Tribunal, against the Order issued by the Office of the Commissioner of Income-tax (Appeals)-II, Nagpur dated March 30, 2010, in respect of the Assessment Year 2007-2008

The Joint Commissioner of Income-tax (“**the Authority**”) has issued an Assessment Order (“**Assessment Order**”) under Section 143(3) read with Section 147 of the Income Tax Act, 1961 (“**the Act**”) dated November 17, 2009 thereby re-opening assessment proceedings for the assessment year 2007-2008 and directing the Company to pay ₹ 5,03,438/- (Rupees Five Lakhs Three Thousand Four Hundred and Thirty-Eight only) towards wrongfully claimed deductions, to the Income-tax authorities for the afore-stated assessment year within 30 (thirty) days of issue of the Notice of Demand dated November 17, 2009, failing which, interest at the rate of 1.5% shall be levied on the Amount, for every month of delay. Subsequently, the

Company filed an appeal dated December 14, 2009 before the Office of the Commissioner Income Tax (Appeals) – II, Nagpur (“**CIT (Appeals)**”), under Section 246A(1)(b) of the Act, against the Assessment Order, inter alia stating that the Authority had erred in computing the Amount, payable by the Company. Vide Appellate Order bearing No. CIT(A)-II/139/08-09 dated March 30, 2010, CIT (Appeals) has dismissed the Appeal inter alia rejecting the claim of the Company. Subsequently, the Company has filed an appeal against the Appellate Order before the Appellate Tribunal, inter alia stating that the Authority has erred in charging interest under Sections 234B and 234C of the Act, as mentioned in the Assessment Order. The matter is at the stage of hearing.

5. Appeal dated August 14, 2010, filed by the Company, with the Appellate Tribunal, against the Order issued by the Commissioner of Income-Tax (Appeals) II, Nagpur, in respect of the Assessment Year 2005-06

The Joint Commissioner of Income-tax, Nagpur (“**the Authority**”) issued an Assessment Order dated December 26, 2008 (“**Assessment Order**”) under Section 143(3) read with Section 147 of the Income-tax Act, 1961 (“**the Act**”), thereby re-opening assessment proceedings for the assessment year 2005-2006 and directing the Company to pay ₹ 4,16,111/- (Rupees Four Lakhs Sixteen Thousand One Hundred Eleven only) towards wrongfully claimed deductions to the Income-tax authorities for the afore-stated assessment year within 30 (thirty) days of issue of the Notice of Demand dated December 26, 2008, failing which, interest at the rate of 1.5% shall be levied on the Amount, for every month of delay. The Company filed an appeal, dated January 20, 2009 before the Office of the Commissioner of Income-tax (Appeals), Nagpur (“**CIT (Appeals)**”), under Section 246A(1)(b) of the Act, against the Assessment Order, inter alia stating that the Authority had erred in computing the Amount, payable by the Company, and in charging interest under Sections 243B and 243D of the Act. Vide Appellate Order bearing no. CIT(A)-II/355, 356/08-09 dated March 30, 2010, CIT(Appeals) has partly allowed the appeals inter-alia rejecting the claim of the Company for allowing interest incomes and miscellaneous receipts as eligible for deductions under Section 80IB of the Act. Subsequently, the Company filed an appeal dated August 14, 2010 against the Appellate Order before the Appellate Tribunal, inter alia stating that the Authority has erred in charging interest under Sections 234B and 234D of the Act, as mentioned in the Assessment Order. The matter is at the stage of hearing.

6. Show Cause Notice, dated February 9, 2015 issued by The Assistant Commissioner of Customs, Central Excise and Service Tax, Division Hingna- II, Nagpur, to the Company

The Assistant Commissioner of Customs, Central Excise and Service Tax, Division Hingna-II, Nagpur, after scrutinizing the records of the Company for the period from April 2012 to March 2013, has issued a Show Cause Notice (“**SCN**”) dated February 9, 2015 to the Company requiring the Company to show cause as to why the Cenvat Credit of ₹ 42,401/- (Rupees Forty-Two Thousand Four Hundred and One only) availed and utilized by the Company, irregularly, should not be disallowed and recovered from the Company. Further, the Company was asked to show cause as to why penalty should not be imposed on them under Rules 15(1) and 15(2) of the Cenvat Credit Rules, 2004 read with Section 11AC of the Central Excise Act, 1944 and additionally, why interest should not be recovered from them under Section 11AA of the Central Excise Act, read with Rule 14 of the Cenvat Credit Rules, 2004. The SCN further stipulates that the Company has thirty days to reply to the SCN, failing which; the case will be posted for hearing. The Company has failed to comply with the aforementioned stipulation and is still in the process of replying to the SCN.

7. Show Cause Notice, dated March 18, 2015 issued by The Assistant Commissioner of Customs, Central Excise and Service Tax, Division Hingna- II, Nagpur, to the Company.

The Assistant Commissioner of Customs, Central Excise and Service Tax, Division Hingna- II, Nagpur, after scrutinizing the records of the Company for the period from April 2012 to March 2013, has issued a Show Cause Notice (“**SCN**”) dated March 18, 2015 to the Company requiring the Company to show cause as to why Service Tax of ₹ 2,55,310/- (Rupees Two Lakhs Fifty-Five Thousand Three Hundred and Ten only) (“**Service Tax Amount**”) already paid by the Company, towards remuneration paid to the director of the Company, should not be recovered and appropriated accordingly. Further, the Company was asked to show cause as to why penalty should not be imposed on them under Section 77 of the Finance Act, 1994 and additionally, why interest of ₹ 29,550/- (Rupees Twenty-Nine Thousand Five Hundred and Fifty only), arising on the delayed payment of the Service Tax Amount, should not be recovered from them under Section 75 of the Finance Act, 1994. The SCN further stipulates that the Company has thirty days to reply to the SCN, failing which; the case will be posted for hearing. The Company has failed to comply with the aforementioned stipulation and is still in the process of replying to the SCN.

5. **Litigation Involving Labour Laws:**

NIL

C. **PAST PENALTIES**

NIL

PART 3: LITIGATION RELATING TO THE DIRECTORS OF THE COMPANY

A. **LITIGATION AGAINST THE DIRECTORS**

1. **Litigation involving Civil/Statutory Laws**

NIL

2. **Litigation involving Criminal Laws.**

NIL

3. **Litigation Involving Economic Offenses.**

NIL

4. **Litigation involving tax liabilities.**

NIL

B. **LITIGATIONS FILED BY THE DIRECTORS**

NIL

C. **PAST PENALTIES**

NIL

PART 4: LITIGATION RELATING TO THE PROMOTERS OF THE COMPANY

A. **LITIGATION AGAINST THE PROMOTERS**

1. **Litigation involving Civil/Statutory Laws.**

NIL

2. **Litigation involving Criminal Laws.**

NIL

3. **Litigation Involving Securities and Economic Laws.**

NIL

B. LITIGATION FILED BY THE PROMOTERS**1. Litigation involving Civil/Statutory Laws.**

NIL

2. Litigation involving Criminal Laws.

NIL

3. Litigation Involving Securities and Economic Laws.

NIL

C. PAST PENALTIES

NIL

PART 5: LITIGATION RELATING TO THE GROUP COMPANIES**A. LITIGATION AGAINST THE GROUP COMPANIES****1. Litigation involving Civil Laws.**

NIL

2. Litigation involving Criminal Laws.

NIL

3. Litigation Involving Securities and Economic Laws.

NIL

B. LITIGATION FILED BY THE GROUP COMPANIES**1. Litigation involving Civil Laws.**

NIL

2. Litigation involving Criminal Laws.

NIL

3. Litigation Involving Securities and Economic Laws.

NIL

C. PAST PENALTIES

NIL

PART 6: LEGAL NOTICES**1. Legal notices issued to the Company**

NIL

2. **Legal Notices issued by the Company**
NIL
3. **Legal Notices issued to the subsidiaries**
NIL
4. **Legal Notices issued by the subsidiaries**
NIL
5. **Legal Notices issued to the Group Companies**
NIL
6. **Legal Notices issued by the Group Companies.**
NIL

PART 7: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE i.e. 31.01.2015

Except as mentioned below, no circumstances have arisen since the date of last financial statement until the date of filing the Draft Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next 12 (twelve) months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company. Significant developments in our Company since the last audited balance sheet as on January 31, 2015 till the date of the Draft Prospectus.

1. The authorized share capital of our Company as on January 31, 2015 was ₹ 1,00,00,000.00 consisting of 10,00,000 Equity Shares of ₹ 10.00 each which was increased to ₹ 2,00,00,000 consisting of 20,00,000 Equity Shares of face value ₹ 10.00 each pursuant to a resolution of the shareholders dated March 13, 2015.
2. We have passed the resolution for conversion of our Company from private to public company dated April 8, 2015 and the name of our Company was changed to "Emkay Taps and Cutting Tools Limited" vide a fresh Certificate of Incorporation dated April 24, 2015, issued by the Registrar of Companies, Maharashtra, Mumbai.
3. Our Board has passed a resolution on May 5, 2015 to authorize the Issue.
4. We have issued Bonus Shares in the ratio of 1.5 equity shares for every 1 equity shares held to the then existing shareholders of the Company on March 18, 2015.
5. We have appointed Mr. Rahul Bagdia and Mr. Mahesh Mor as Independent Director on the Board of the Company with effect from April 8, 2015 and Mr. Ravindra Loiya with effect from April 24, 2015.
6. We have appointed Mr. Vishnu Sontakke as Chief Financial Officer of the Company with effect from April 15, 2015.
7. We have appointed Ms. Shruti R. Sohane as Company Secretary and Compliance Officer of Our Company with effect from April 10, 2015

PART 8: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

There are no outstanding dues payable to Small scale industries and other creditors amounting to ₹ 1.00 lakh or more which are pending for more than 30 (thirty) days from the due date.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

APPROVALS PERTAINING TO THIS ISSUE

The Board of Directors have, pursuant to applicable provisions if any, of the Companies Act, 2013 by a resolution passed at its meeting held on May 5, 2015 authorized the Issue.

- i. The Company has entered into a tripartite agreement dated May 5, 2015 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
- ii. Similarly, the Company has also entered into an agreement dated March 10, 2015 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
- iii. The Company has obtained in-principle listing approval from the SME platform of the NSE dated [●].

8.1 INCORPORATION AND OTHER DETAILS

- i. Certificate of Incorporation dated July 27, 1995 issued by the Registrar of Companies, Maharashtra, Mumbai in the name of “Emkay Taps and Cutting Tools Private Limited”.
- ii. Fresh Certificate of Incorporation dated April 24, 2015 issued by the Registrar of Companies, Maharashtra, Mumbai in the name of “Emkay Taps and Cutting Tools Limited” consequent upon conversion of the Company from Private Limited Company to Public Limited Company
- iii. The CIN of the Company is U29220MH1995PLC091091.

8.2 TAX RELATED APPROVALS / LICENSES / REGISTRATIONS

The Company has in place the following categories of approvals from various tax authorities viz. Income-tax Department, Sales tax Department etc.

i. General					
S. No.	Description	Granting Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	The Income Tax Department, Government of India.	AAACE4308G	July 27, 1995	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	The Income Tax Department, Government of India.	NGPE00059D	May 15, 2002	Valid until cancelled
3.	Service Tax Registration (Form ST-2)	Central Board of Excise and Customs, Ministry of Finance – Department of Revenue	AAACE4308GST001	February 21, 2014*	Valid until cancelled

*Updated Registration Number issued in lieu of the Original Registration Number, which was issued on September 19, 2006.



ii. Value Added Tax					
S. No.	Description	Granting Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate of Registration under the Maharashtra Value Added Tax Act, 2002	Registration Officer, Sales Tax Department, Government of Maharashtra	27690279947V	April 1, 2006 <i>Effective Date:</i> April 1, 2006	Valid until cancelled

iii. Central Sales Tax					
S. No.	Description	Granting Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate of Registration the Central Sales Tax (Registration & Turnover) Rules, 1957	Registration Officer, Sales Tax Department, Government of Maharashtra	27690279947C	April 1, 2006 <i>Effective Date:</i> April 1, 2006	Valid until cancelled

iv. Professional Tax					
S. No.	Description	Granting Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Professional Tax Registration Certificate under the Maharashtra State Tax on Professions, Traders, Callings and Employments Act, 1975 in the name of Emkay Taps and Cutting Tools Pvt. Ltd. & Emkay Tools	Sales Tax Officer, Nagpur	PT/R/416/53/273	May 20, 1996 <i>Effective date:</i> April 1, 1996	Valid until cancelled
2.	Certificate of Enrolment under the Maharashtra State Tax on Professions, Traders, Callings and Employments Act, 1975 in the name of Emkay Taps and Cutting Tools Pvt. Ltd.	Sales Tax Officer, Charge 3, Nagpur	PT/E/416/53/18/16	May 20, 1996	Valid until cancelled

8.3 IMPORT- EXPORT RELATED APPROVALS

S. No.	Description	Granting Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate of Importer-Exporter Code (IEC) in the name of M/s. Emkay Tools (Prop. Emkay Taps and Cutting Tools Pvt. Ltd.)	Asst. Director General of Foreign Trade, Ministry of Commerce	0393050165*	August 9, 2001	NA

*Updated IEC issued in lieu of the Original IEC, which was issued on July 14, 1993.

8.4 CENTRAL EXCISE RELATED APPROVALS

S. No.	Description	Granting Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Central Excise Registration Certificate	Superintendent of Central Excise, Nagpur	AAACE4308GXM001	December 3, 2001	Valid until cancelled

8.5 LABOUR RELATED APPROVALS/REGISTRATIONS

The Company has obtained the following approvals related to Labour/employment related registrations:

S. No.	Description	Granting Authority	Registration/ License No.	Date of Issue	Date of Expiry
1.	Factory license issued under the Factories Act, 1948 in the name of M/s. Emkay Tools (Prop. Emkay Taps and Cutting Tools Pvt. Ltd.)	Additional Director, Nagpur	093974*	December 16, 2009	Renewed up to December 31, 2015
2.	Employees' Provident Fund Code under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 in the name of M/s. Emkay Tools	Asst. Provident Fund Commissioner, Nagpur	Code No. MH/NGP/62988	January 22, 2001	Valid until cancelled
3.	Employees' State Insurance Code issued to M/s. Emkay Tools	Assistant Director, Employees' State Insurance Corporation, Nagpur	Code No. 23000019590000605	November 16, 2010	Valid until cancelled
4.	License under Contract Labour (Regulation and Abolition) Act, 1970, in the name of M/s. Emkay Tools	Licensing Officer, Nagpur	486/D-4/2012	December 5, 2005 Last renewal: January 30, 2015	Renewed up to December 31, 2015

*Renewed Factory License issued in lieu of the Original Factory License bearing No. 077965, which was issued on May 25, 2006

8.6 BUSINESS RELATED APPROVALS

The Company has obtained the following approvals relating to its business:

S. No.	Description	Granting Authority	Registration/Certificate No.	Date of Issue	Date of Expiry
1.	Certificate from District Industries Centre (DIC), Nagpur in the name of M/s. Emkay Tools (Prop. Emkay Taps and Cutting Tools Pvt. Ltd.)	General Manager, DIC, Nagpur	DICN/Regn. 6824 Entrepreneur's Memorandum No. : 27 009 13 00006	September 17, 2010*	Valid till business is continued however any change or addition in investment in plant & machinery or equipment or products has to be informed to DIC.



2.	Eligibility Certificate for expansion under Package Scheme of Incentives – 2007	Joint Director of Industries, Nagpur	EC: 02/2010/1546	September 24, 2010 <i>Effective Date:</i> April 1, 2010	March 31, 2016
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*Issued in lieu of Part-II E.M. No. 27/009/12/00191 dated December 8, 2008

3. Wind power Project at Shivapura Kavalu Village , Taluka- Belur, District- Hassan, Karnataka:

- (i) The Karnataka Power Transmission Corporation Limited (“KPTCL”) has provided its clearance for commissioning of 1.25 MW Wind Power Project in the village of Shivapura Kavalu Village, Taluka- Belur, District- Hassan, Karnataka on March 29, 2008, and has issued a Commissioning Certificate, in respect thereof, dated April 15, 2008.
- (ii) The Chief Engineer Electrical (P & C), KPTCL, Bangalore has provided Infrastructure clearance for commissioning of 1.25 MW Wind Power Project in the village of Shivapura Kavalu, Taluka- Belur, District- Hassan, Karnataka vide letter dated March 27, 2008 and the Chief Electrical Inspector has provided approval for Electrical Installation vide letter dated March 25, 2008.
- (iii) The Chief Engineer Electrical (P & C), KPTCL, Bangalore has provided Infrastructure clearance for commissioning of 1.25 MW Wind Power Project in the village of Shivapura Kavalu, Taluka- Belur, District- Hassan, Karnataka vide letter dated March 27, 2008 and the Chief Electrical Inspector has provided approval for Electrical Installation vide letter dated March 25, 2008.
- (iv) The Karnataka Power Transmission Corporation Limited (“KPTCL”) has provided its clearance for commissioning of 1.25 MW Wind Power Project in the Shivapura Kavalu Village, Taluka- Belur, District- Hassan, Karnataka on March 29, 2008, and has issued a Commissioning Certificate, in respect thereof, dated April 15, 2008.
- (v) The Company has been granted consent from the CESC for the comprehensive evacuation scheme for evacuation of the power generated by the proposed power projects of the Company, approved by KPTCL vide letter No. CEE(P&C)/SEE(Plg)/EEE(PSS)/AEE-1/F-261/2488-93 dated June 13, 2007 and CEE(P&C)/SEET/EET/KCO-103/9252/6094-101/06.03.08 and permanent interconnection approval vide letter No. CEE(P&C)/KCO-93/8892/F-261 dated June 3, 2008.


4. Wind Power Project at Kita and Ugawa Village, District- Jaisalmer, Rajasthan

- (i) Recommendation Letter No. F.8(23)RREC/EIL/Ugawa/28-8 MW/2004/D-17497-99 dated January 18, 2011, issued by Chief Executive Officer, Rajasthan Renewable Energy Corporation, Jaipur, has according his recommendation to M/s. Enercon (India) Limited for sub-leasing the land to the Company.
- (ii) The Company, vide letter No. RREC/EIL/Kita & Bhopa/67.2 MW/2008-09/D- 13570 to 73 dated March 2, 2010 was granted permission by the Rajasthan Renewable Energy Corporation Limited, under the “Policy for Promoting Generation of Electricity Through Non-Conventional Energy Sources-2004” issued by the Government of Rajasthan, for setting-up of wind energy based power project of 1.6 MW capacity at Kita Village, District- Jaisalmer, Rajasthan.
- (iii) The Company has been issued a Wind-Project Commissioning Certificate bearing No. SE (RDPPC)/XEN(C&R)/D-178 dated April 22, 2010 to certify the successful commissioning of 01 No. X 800 kW (Wind Turbine Generator) through Enercon (India) Limited on March 31, 2010 by the Superintending Engineer (RDPPC), Ajmer, DISCOM- Jaipur, at Kita Village, District- Jaisalmer, Rajasthan.

8.7 ENVIRONMENT RELATED APPROVALS

S. No.	Description	Authority	Consent No.	Date of Certificate	Date of Expiry
1.	Consent to Operate (NOC) under Section 26 of Water (Prevention and Control of Pollution) Act, 1974 and under Section 21 of Air (Prevention and Control of Pollution) Act, 1981 and authorization under rule 5 of Hazardous Wastes (Management and Handling) Rules, 1989, granted to M/s. Emkay Tools	Maharashtra Pollution Control Board (“MPCB”)	NRO/Nagpur/E-25 of 1998/270-CC/590	March 12, 2008	October 10, 2015

8.8 APPROVALS RELATING TO INTELLECTUAL PROPERTY
TRADEMARKS

S. No.	Particulars of Mark	Word/ Label Mark/Device	Granting Authority	Applicant	Trademark Application No.	Class	Date of Certificate	Date of Expiry
1.	 EMKAY TOOLS	Device	Registrar of Trade Marks	M/s. Emkay Tools (Emkay Taps and Cutting Tools Pvt. Ltd.)	904020	8	July 16, 2005 <i>Effective Date:</i> February 17, 2000	Renewed up to February 16, 2020

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on May 5, 2015.

The Offer for sale by Nagpur Tools Private Limited for 50,000 Equity Shares has been authorized by its board resolution dated May 04, 2015. The Selling Shareholders have authorised the transfer of Equity Shares pursuant to the Issue as set out in below table.

Sr. No.	Name of Selling Shareholder	Date of Authorisation Letter	Number of Equity Share offered for sale
1.	Mr. Ajayprakash Kanoria	May 04, 2015	64,250
2.	Mrs. Alka Kanoria	May 04, 2015	1,24,910
3.	Ajayprakash Kanoria HUF	May 04, 2015	2,32,040
4.	Nagpur Tools Private Limited	May 04, 2015	50,000
Total			4,71,200

The Equity shares being offered by the Selling Shareholders have been held for a period of at least one year prior to the date of filing of the Draft Prospectus and, hence, eligible for being offered for sale in the Issue. The Selling Shareholders have confirmed that they have not been prohibited from dealings in securities market and the Equity Shares offered and to be sold are free from any lien, encumbrance or third party rights.

Our Company has obtained in-principle approval from NSE for using its name in the Draft Prospectus / Prospectus for listing of Equity Shares of our Company on NSE EMERGE pursuant to an approval letter dated [●]. NSE is the Designated Stock Exchange.

Prohibition by SEBI or governmental authorities

Our Company, Promoter, Promoter Group entities, Directors, Group Entities, the person(s) in control of our Company or the Selling Shareholders have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other authorities and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Association with Securities Market

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

Prohibition by RBI

None of our Company, Promoter, Directors, Group Entities, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company and the Selling Shareholders have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "**Outstanding Litigations and Material Developments**" beginning on page 167 of the Draft Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue face value capital will not exceed ₹ 10.00 Crores and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "**NSE EMERGE**").

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "**General Information – Underwriting**" beginning on page 40 of the Draft Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with interest as prescribed under the Companies Act.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Prospectus/Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our LM submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the LM and a Market Maker to ensure compulsory Market Making for a minimum period of 3 (three) years from the date of listing of Equity Shares on the NSE EMERGE. For further details of the arrangement of market making please refer to section titled "**General Information – Details of the Market Making Arrangements for this Issue**" beginning on page 40 of the Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations shall not apply to us in this Issue.

1. Our Company has Net Tangible assets of at least ₹ 1.00 Crore as per the latest audited financial results.

As on January 31, 2015 the Company had **Net Tangible Assets*** of **₹ 57.68 Crores** which satisfies the criteria of having Net Tangible Assets of at least ₹ 1.00 Crore.

**Net tangible assets are defined as the sum of all net assets of the Company, excluding intangible assets and Net Deferred Tax as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.*

2. Net worth (excluding revaluation reserves) of our Company is at least ₹ 1.00 Crore as per the latest audited financial results.

As at January 31, 2015, The Company had **Net worth** of **₹ 55.61 Crores** which satisfies the criteria of having Net worth of at least ₹ 1.00 Crore.

(₹In Crores)

Particulars	As at January 31, 2015
Share Capital	0.71
Add: Reserves & Surplus#	54.89
Less:- Debit Balance of Profit & Loss Account	0.00
Less: Miscellaneous to the extent not written off	0.00
Net Worth	55.61

#No Revaluation Reserve

***Net worth includes Equity Share Capital and Reserves (excluding revaluation reserves, Miscellaneous Expenditure not written off, if any & Debit Balance of Profit and Loss Account not written off, if any)*

3. Track record of distributable profits in terms of sec. 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least ₹ 3.00 Crores.

The Company's distributable profits in terms of sec. 123 of Companies Act, 2013 (as restated) in last three financial years are detailed below:

(₹In Crores)				
Particulars	For 10 months period ended January 31, 2015	For F.Y. 2013-14	For F.Y. 2012-13	For F.Y. 2011-12
Net Profit (as restated)	8.64	5.74	4.92	8.35

4. As on date of the Draft Prospectus, Pre-issue standalone paid up capital of our Company is ₹ 1.78 Crores which is in excess of ₹ 1.00 Crore, and the Post Issue Capital shall also be in excess of ₹ 1.00 Crore.
5. Our Company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories. The Company with Registrar to the Issue has entered into agreements with Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL) on May 05, 2015 and March 10, 2015 respectively.
6. Our Company has a website i.e. www.emkaytapsandtools.com
7. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
8. There is no winding up petition against the Company that has been admitted by a Court or a liquidator has not been appointed.
9. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on NSE EMERGE

Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITY ADEQUATELY IN THIS BEHALF

AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI/NSE A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - A. THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - C. THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER(S) HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRFAT PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE

- DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - NOT APPLICABLE
 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE
 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMATERIALIZED FORM ONLY.
 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. - NOTED FOR COMPLIANCE
 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
 16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY HEM SECURITIES LIMITED BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR BEING REFERENCE CIR/MIRSD/1/2012 DATED JANUARY 10, 2012.

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD - 18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. - NOTED FOR COMPLAINEE
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS. - NOT APPLICABLE
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

The filing of the Draft Prospectus does not, however, absolve our company from any liabilities under section 34 and section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26 and 33(1) of the Companies Act, 2013.



Statement on Price Information of Past Issues handled by Hem Securities Limited:

Sr. No.	Issuer Name	Issue size (₹ in Cr.)	Issue price (₹)	Listing Date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 th calendar day from listing day (₹)	Benchmark index as on 10 th calendar days from listing day (Closing)	Closing price as on 20 th calendar day from listing day (₹)	Benchmark index as on 20 th calendar days from listing day (Closing)	Closing price as on 30 th calendar day from listing day (₹)	Benchmark index as on 30 th calendar days from listing day (Closing)
1.	Shekhawati Poly-Yarn Ltd.	36.00	30.00	12.01.2011	32.50	47.50	58.33	19,534.10	24.00	19,151.28	25.45	18,022.22	24.30	17,728.61
2.	Tijaria Polypipes Ltd.	60.00	60.00	14.10.2011	62.00	18.10	(69.83)	17,082.69	15.05	16,939.28	11.97	17,481.93	16.28	17,118.74
3.	Samruddhi Realty Ltd.	2.60	12.00	12.04.2013	13.00	13.65	13.75	18,242.56	17.25	19,169.83	22.60	19,735.77	22.90	19,722.29
4.	Captain Polyplast Ltd.	5.94	30.00	11.12.2013	33.00	34.65	15.50	21,171.41	36.00	21,101.03	35.00	21,170.68	41.50	20,758.49
5.	Tentiwal Wire Products Ltd.	2.12	13.00	31.12.2013	12.50	11.90	(8.46)	21,170.68	10.75	20,758.49	11.50	21,205.05	10.30	20,498.25
6.	R&B Denims Ltd.	3.71	10.00	22.04.2014	10.55	11.05	10.50	22,758.37	14.70	22,403.89	11.10	23,551.00	12.00	24,298.02
7.	Bansal Roofing Products Ltd.	2.04	30.00	14.07.2014	31.00	30.50	1.67	25,006.98	30.50	26,025.80	31.50	25,723.16	31.00	25,918.95
8.	Atishay Infotech Ltd.	3.71	16.00	16.10.2014	17.75	18.45	15.31	25,999.34	22.00	26,752.90	20.25	27,915.88	19.50	28,177.88
9.	Dhabriya Polywood Ltd.	3.30	15.00	17.10.2014	16.50	16.75	11.67	26,108.53	18.80	26,787.23	35.85	27,868.63	25.65	28,177.88
10.	Vibrant Global Capital Ltd.	11.48	19.00	21.10.2014	19.40	20.00	5.26	26,575.65	19.25	27,346.33	19.00	27,874.73	20.00	28,046.66
11.	ADCC Infocad Ltd.	9.60	40.00	22.10.2014	43.50	45.65	14.13	26,787.23	60.80	27,860.38	73.95	27,910.06	65.00	28,334.63
12.	Captain Pipes Ltd.	4.40	40.00	11.12.2014	41.90	39.85	(0.375)	27,602.01	40.75	27,701.79	43.20	27,499.42	40.00	27,585.27
13.	O P Chains Ltd.	2.04	11.00	22.04.2015	11.25	11.81	7.36	27,890.13	13.02	27,437.94	15.50	26,877.48	15.50	27,251.10

Financial Year	Total no. of IPOs	Total Funds raised (₹ in Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-16	1	2.04	-	-	-	-	-	1	-	-	-	-	1	-
2014-15	7	38.25	1	-	-	-	-	6	-	-	-	2	-	5
2013-14	3	10.66	-	-	1	-	-	2	-	-	1	1	1	-
2012-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011-12	1	60.00	1	-	-	-	-	-	1	-	-	-	-	-
2010-11	1	36.00	-	-	-	1	-	-	-	-	1	-	-	-

Source: Price Information www.bseindia.com., Issue Information from respective Prospectus.

Note:

- a) In case the 10th, 20th and 30th calendar day from the date of listing is a trading holiday, the share price and benchmark index is taken for the immediately following working day on which there was trading in the Equity Shares of the given Company. In case there was no trading on 10th, 20th and 30th calendar from the date of Listing the closing values of share price and benchmark index is taken for the immediately previous day when the shares of the Company was traded.
- b) BSE SENSEX has been considered as the benchmark index.

Track Record of past issues handled by Hem Securities Limited

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.hemonline.com

Disclaimer from our Company, Selling Shareholders, Directors and the LM

Our Company, the Selling Shareholders, our Directors and the LM accept no responsibility for statements made otherwise than in the Draft Prospectus or in the advertisement or any other material issued by or at our Company's instance and that anyone placing reliance on any other source of information, including our Company's website www.emkaytapsandtools.com would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in (i) the MOU entered among the LM, the Selling Shareholders and our Company; (ii) the Underwriting Agreement entered into among the Underwriters, the Selling Shareholders and our Company and (iii) the Market Making Agreement entered into among the Market Maker, LM and our Company.

All information shall be made available by our Company, the Selling Shareholders and the LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

The LM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates or Selling Shareholders in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates or Selling Shareholders for which they have received and may in future receive compensation.

Caution

The Applicants making application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 25.00 Crore and pension funds with a minimum corpus of ₹ 25.00 Crore, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Nagpur, Maharashtra, India.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the NSE

As required, a copy of the Draft Prospectus shall be submitted to NSE EMERGE. The disclaimer clause as intimated by NSE to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

The Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra.

A copy of the Draft Prospectus will not be filed with the SEBI nor will SEBI issue any observation on the offer document in term of Regulation 106(M)(3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, Plot No. C4 - A, 'G' Block, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra.

A copy of the Prospectus, along with the other documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Maharashtra, Mumbai situated at 100, Everest, Marine Drive, Mumbai - 400 002, Maharashtra.

Listing

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight (8) Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Days, be liable to repay such application money, with interest at the rate as prescribed under the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE are taken within twelve (12) Working Days of the Issue Closing Date.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“38. (1) Any person who-
 (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
 (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
 (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447 of the Companies Act, 2013.

Consents

Consents in writing of the Directors, the Promoters, Chief Financial Officer, the Company Secretary & Compliance Officer, the Statutory Auditor, the Peer Review Auditor, the Banker(s) to the Company, the Lead Manager, Registrar to the Issue, Advisor to the Issuer, Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained. We will also obtain consents from Banker(s) to the Issue. These consents will be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. Vijay Agrawal & Company, Chartered Accountants, Statutory Auditor and M/s. KPRK & Associates, Chartered Accountants, Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in the Draft Prospectus / Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus.

Experts Opinion

Except for the reports in the section **“Financial Information of our Company”** and **“Statement of Tax Benefits”** on page 128 and page 58 of the Draft Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ 48.00 Lakhs. The estimated issue related expenses include, among others, Issue management fees, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar’s fees, depository fees and listing fees and Advisory fee. All expenses in relation to the Issue will be paid and shared by the Selling shareholders except listing fees and Advisory fee which will be paid by the Company.

In accordance with Section 28(3) of the Companies Act, 2013, the Selling Shareholder has authorized our Company to take all actions in respect of offer of sale for and on their behalf and they will reimburse our Company all expenses incurred by the Company on this matter. The break-up for the estimated Issue expenses are as follows:

(Amount ₹ in Lakhs)

Particulars	Expenses ¹	As a % of total expenses	As a % of Issue
Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses.	35.00	72.92	2.25
Printing & Stationery, Distribution, Postage etc.	3.00	6.25	0.19
Advertising and Marketing Expenses	2.00	4.17	0.13

Listing Fees ²	0.60	1.25	0.04
Advisory Fee ²	5.00	10.42	0.32
Regulatory Fees and expenses	2.40	5.00	0.15
Total estimated Issue Expenses	48.00	100.00	3.09

¹Excluding service tax

²To be borne only by our Company

Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the Lead Manager will be as per the (i) Memorandum of Understanding among our Company, Selling Shareholders and the Lead Manager, (ii) the Underwriting Agreement among our Company, Selling Shareholders and the Underwriter, Hem Securities Limited and (iii) the Market Making Agreement among our Company, the Underwriter and the Market Maker, Hem Finlease Private Limited, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue, a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in the Draft Prospectus or send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in the five (5) years preceding the date of the Draft Prospectus except as disclosed in chapter titled "*Capital Structure*" beginning on page 43 of the Draft Prospectus.

Previous issues of Equity Shares otherwise than for cash

Our Company has not made any previous issues of shares for consideration other than cash except bonus issue and Equity shares issued in consideration of takeover of Emkay Tools. For further details please refer to chapter titled "*Capital Structure*" beginning on page 43 of the Draft Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Previous issues by companies under the same Management

No company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made any public issue or rights issue during the last three (3) years.

Performance vis-a-vis objects - Last Three Issues

There has not been any previous public issue of our Equity Shares.

Performance vis-a-vis objects - Last Issue of Group/Associate Companies

All of our Group / Associate Companies are unlisted and have not made a public issue of shares.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing the Draft Prospectus.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing the Draft Prospectus.

Option to Subscribe

Equity Shares being offered through the Draft Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on May 05, 2015. For further details on the Stakeholders Relationship Committee, please refer to section titled "*Our Management*" beginning on page 109 of the Draft Prospectus.

Our Company has appointed Ms. Shruti R. Sohane, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Shruti R. Sohane

Plot No. B - 27 and B - 27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur - 440 016, Maharashtra, India

Tel. No.: +91 - 7104 - 237363 **Tele-Fax No.** +91 - 7104 - 237584

Email: investors@emkaytapsandtools.com

Website: www.emkaytapsandtools.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011 and revised Circular No. CIR/OIAE/1/2014 dated December 18, 2014, SEBI has launched a centralized web based complaints redress system "**SCORES**". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of the Draft Prospectus and hence there are no pending investor complaints as on the date of the Draft Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any other listed company under the same management.

Change in Auditors during the last three (3) years

There have been no changes in our Company's auditors in the last three (3) years.

Capitalization of Reserves or Profits

Except as provided in the Chapter titled "*Capital Structure*" beginning on page 43 of the Draft Prospectus, Our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of the Draft Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "*Statement of Tax Benefits*" beginning on page 58 of the Draft Prospectus.

Purchase of Property

Our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under, except as stated elsewhere in the Draft Prospectus,

Servicing Behavior

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled "*Related Party Transactions*" beginning on page 151 of the Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VIII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SCRR, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Prospectus, the Prospectus, Application Form, CAN, the Revision Form, Allotment advices, the SME listing agreement and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the FIPB, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Present Issue

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on May 05, 2015.

The Offer for sale by Nagpur Tools Private Limited for 50,000 Equity Shares has been authorized by its board resolution dated May 04, 2015. The Selling Shareholders have authorised the transfer of Equity Shares pursuant to the Issue as set out in below table.

Sr. No.	Name of Selling Shareholder	Date of Authorisation Letter	Number of Equity Share offered for sale
1.	Mr. Ajayprakash Kanoria	May 04, 2015	64,250
2.	Mrs. Alka Kanoria	May 04, 2015	1,24,910
3.	Ajayprakash Kanoria HUF	May 04, 2015	2,32,040
4.	Nagpur Tools Private Limited	May 04, 2015	50,000
Total			4,71,200

The Equity shares being offered by the Selling Shareholders have been held for a period of at least one year prior to the date of filing of the Draft Prospectus and, hence, eligible for being offered for sale in the Issue. The Selling Shareholders have confirmed that they have not been prohibited from dealings in securities market and the Equity Shares offered and to be sold are free from any lien, encumbrance or third party rights.

Ranking of Equity Shares

The Equity Shares being offered pursuant to this Issue shall be subject to the provisions of Companies Act, Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “*Main Provisions of the Articles of Association*” on page 224 of the Draft Prospectus.

For the shares being offered through offer for sale, the dividend to be paid, if any, shall be paid for the full year to the transferees.

Other than the listing fee and advisory fee, which will be borne only by the Company, expenses relating to the Issue will be borne and shared by the Selling Shareholder in proportion of the Equity Shares offered for sale in the Issue. For further details, see the section titled “*Other Regulatory and Statutory Disclosures – Issue Related Expenses*” on page 187 of the Draft Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, Articles of Association of our Company and provisions of the SME Listing Agreement to be entered with NSE EMERGE. For further details in relation to dividends, see the sections “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 127 and page 224, respectively.

Face Value and Issue Price

Equity Shares of face value of ₹ 10.00 each are being issued in terms of the Draft Prospectus at an Issue price of ₹ 330.00 per Equity Share (including a premium of ₹ 320.00 per Equity Share) which has been determined by our Company and the



Selling Shareholders in consultation with the LM and is justified under the section titled "*Basis for Issue Price*" beginning on page 56 of the Draft Prospectus. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI (ICDR) Regulations

We shall comply with all requirements of SEBI (ICDR) Regulations, all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to receive Annual Reports & notice(s) to members
3. Right to attend general meetings and exercise voting powers, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
7. Right of free transferability, subject to applicable law, including any RBI Rules and Regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of SME listing agreement executed with the Stock Exchanges and the Memorandum and Articles of Association of our Company.

For further details on the main provisions of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer section titled "*Main Provisions of Articles of Association*" beginning on page 224 of the Draft Prospectus.

Minimum Application Value, Market Lot and Trading Lot

In terms of the provision of the Depositories Act, 1996 (22 of 1996) & the regulations made under and Section 29 (1) of the Companies Act, 2013 the Equity Shares of our Company shall be allotted only in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialised form only.

The trading of the Equity Shares will happen be in dematerialised form and in the minimum contract size of 400 Equity Shares and the same may be modified by the NSE EMERGE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through the Issue will be done in multiples of 400 Equity Shares subject to a minimum allotment of 400 Equity Shares to the successful Applicants.

Joint Holders

Where 2 (two) or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination Facility to Investors

In accordance with Section 72 of the Companies Act, 2013 the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or to the Registrar and Transfer Agents of our Company.



In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the Applicant would prevail. If the Applicants require changing their nomination, they are requested to inform their respective depository participant.

Period of operation of Subscription list of public issue

ISSUE OPENS ON	<input type="text"/>
ISSUE CLOSES ON	<input type="text"/>

Minimum Subscription

In accordance with Regulation [106P] (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P] (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive subscription of 100% of the Issue including devolvement of Underwriters within 60 (Sixty) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under the Companies Act.

Further, In accordance with Regulation [106R] of SEBI ICDR Regulations, No allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of 400 equity shares. However, the Market Maker shall buy the entire shareholding of a shareholder in 1 (one) lot, where value of such shareholding is less than ₹ 1,00,000.00 i.e. the minimum contract size allowed for trading on NSE EMERGE.

Application by Eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FPIs/FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the pre-Issue Equity Shares and Promoter, minimum contribution in the Issue as detailed in the section titled "*Capital Structure*" beginning on page 43 of the Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. For further details, please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 224 of the Draft Prospectus.

Option to receive securities in Dematerialised Form

Investors should note that allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

New financial instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Migration to Main Board

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid-up Capital of our Company is likely to increase above ₹ 25.00 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of our company is more than ₹ 10.00 Crores and up to ₹ 25.00 Crores, our Company may still apply for migration to the Main Board if our Company fulfills the eligible criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The Equity Shares offered through this Issue are proposed to be listed on the SME Exchange of NSE, wherein the LM to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange of NSE for a minimum period of 3 (Three) years from the date of listing on the SME Exchange of NSE. For further details of the agreement entered into between our Company, the LM and the Market Maker please refer to section titled "*General Information - Details of the Market Making Arrangements for this Issue*" beginning on page 40 of the Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Up to ₹ 20.00 Crore, as applicable in our case	25%	24%



Further, the Market Maker shall give 2 (Two) way quotes till it reaches the upper limit threshold, thereafter it has the option to give only sell quotes. 2 (Two) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the SME Exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Draft Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital does not exceed ₹ 10.00 Crores, shall issue/offer shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**", in this case being the SME Platform of NSE). For further details regarding the salient features and terms of such an issue please refer to section titled "**Terms of the Issue**" and "**Issue Procedure**" beginning on page 191 and page 199 of the Draft Prospectus.

The Public Issue of 4,71,200 Equity shares of face value ₹ 10.00 each for cash at a price of ₹ 330.00 per Equity Share, including a share premium of ₹ 320.00 per equity share aggregating up to ₹ 1554.96 Lakhs through an Offer for Sale by the Selling Shareholders.

The Issue is being made by way of Fixed Price method.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	4,47,200 Equity Shares	24,000 Equity Shares
Percentage of Issue Size available for allocation	94.91 % of the Issue Size (50% to Retail Individual Investors and the balance 50% to Other than Retail Individual Investors).	5.09% of the Issue Size Firm allotment
Basis of Allotment	Proportionate subject to minimum allotment of 400 Equity Shares and further allotment in multiples of 400 Equity Shares each. For further details please refer to section titled " Issue Procedure - Basis of Allotment " beginning on page 199 of the Draft Prospectus.	Firm Allotment
Mode of Application	For Other than Retail Individual Investors Applicants, the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	<u>For Other than Retail Individual Investors:</u> Such number of Equity Shares in multiples of 400 Equity Shares such that the Application Value exceeds ₹ 2,00,000.00 <u>For Retail Individual Investors:</u> 400 Equity Shares	24,000 Equity Shares
Maximum Application Size	<u>For Other than Retail Individual Investors:</u> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable.	24,000 Equity Shares



Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
	<p><u>For Retail Individual Investors:</u></p> <p>Such number of Equity Shares in multiples of 400 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.00</p>	
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Trading Lot	400 Equity Shares	400 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Terms of the Issue*” on page 191 of the Draft Prospectus.

*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ is the net offer to the public category shall be made as follows:

- Minimum fifty percent to Retail Individual Investors; and
- Remaining to Investors Other than Retail Individual Investors

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

"if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage"

Issue Programme

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches.

Standardization of cut-off time for uploading of applications on the issue closing date:

- A standard cut-off time of 3.00 p.m. for acceptance of applications.
- A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants
- A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

WITHDRAWAL OF THE ISSUE

Our Company and/or the Selling Shareholders, in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company and/or the Selling Shareholders, in consultation with LM, withdraw the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company and/or the Selling Shareholder. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.



Emkay Taps and Cutting Tools Limited

If our Company and/or Selling Shareholders, in consultation with LM, withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with the a fresh Issue of Equity Shares of our Company or an offer for sale of Equity Shares of our Company, our Company and/or the Selling Shareholders will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Our Company, Selling Shareholders and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

Our Company, Selling Shareholders and the LM are not liable for any amendments, modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus.

Fixed Price Issue

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches/Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar to the Issue. In case of QIB Applicants, the Company in consultation with the LM may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

Issue through Offer for Sale

Equity Shares offered in this Issue are through an offer for sale by the Selling Shareholders. Though from the Applicants’ perspective, the process appears alike, transfer of Equity Shares by the Selling Shareholders to the successful Applicants as part of the IPO requires a different process to be followed as compared to the Allotment of new Equity Shares of the Company. Under an Offer for Sale, no fresh Equity Shares needs to be created as the existing Equity Shares held by the Selling Shareholders shall be transferred to the successful Applicants. Moreover, transfer of Equity Shares shall be subject to tax as prescribed under law.

Our Company in consultation with the LM shall ensure that the due process including that of transfer and payment of taxes would be followed.

Application Form

Applicants shall only use the specified Application Form bearing the stamp of the Bankers to the Issue for the purpose of making an Application in terms of this Draft Prospectus. The application form shall contain space for indicating number of specified securities subscribed for in dematerialised form. Upon completing and submitting the Application Form to the Bankers to the Issue, the Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the ASBA Application as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour
Indian Public / NRI's applying on a non-repatriation basis (ASBA and Non-ASBA).	White
Non-Residents including eligible NRI's, etc. applying on a repatriation basis (ASBA and Non-ASBA).	Blue

In accordance with the SEBI (ICDR) Regulations in public issues with effect from May 1, 2010 all the investors can apply through ASBA process and with effect from May 2, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, LM to the Issue, Registrar to the Issue and the collection centers of the Bankers to the Issue, as mentioned in the Application Form. The Application Forms may also be downloaded from the website NSE i.e. www.nseindia.com

Who can apply?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

1. Indian nationals resident in India who are not minors, or in the name of the minor children as natural / legal guardians in single or joint names (not more than three).
2. Hindu Undivided Families or HUFs in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals.
3. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue.
4. FPIs and sub-accounts registered with SEBI, other than Category III Foreign Portfolio Investor
5. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, only under the Non Institutional Portion.
6. State Industrial Development Corporations.
7. Insurance companies registered with the Insurance Regulatory and Development Authority, India constituted under the Insurance Regulatory and Development Authority Act, 1999.
8. Provident Funds with a minimum corpus of ₹ 2,500.00 lakhs and who are authorized under their constitution to invest in Equity Shares.
9. Pension funds with a minimum corpus of ₹ 2,500.00 lakhs and who are authorized under their constitution to invest in Equity Shares.
10. Companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in Equity Shares.

11. Venture Capital Funds (VCFs) registered with SEBI.
12. Foreign Venture Capital Investors (FVCIs) registered with the SEBI under the SEBI (Foreign Venture Capital Investors) Regulations
13. Eligible QFIs.
14. Mutual Funds registered with SEBI.
15. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to the RBI regulations and the SEBI (ICDR) Regulations and other regulations, as applicable)
16. Multilateral and bilateral development financial institutions.
17. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their constitution to hold and invest in Equity Shares.
18. Scientific and/or industrial research organizations in India authorized to invest in Equity Shares.
19. National Investment Fund set up by resolution No. F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India
20. Nominated Investor and Market Maker.
21. Insurance funds set up and managed by army, navy or air force of the Union of India.
22. Insurance funds set up and managed by the Department of Posts, India.
23. Limited Liability Partnerships and
24. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them under Indian laws.

Applications cannot be made by:

1. Minors
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

MAXIMUM AND MINIMUM APPLICATION SIZE**1. For Retail Individual Applicants**

The Application must be for a minimum of 400 Equity Shares and in multiples of 400 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000.00. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.00.

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000.00 and in multiples of 400 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000.00 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Participation by Associates of LMs

Except for the Market Making and the Underwriting Obligations, the LM shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the LMs may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

Option to Subscribe in the Issue

- a. Pursuant to the provisions of Section 29(1) of the Companies Act, 2013, allotment of specified securities shall be made only in dematerialized form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Applicants:

- a) Our Company will file the Prospectus with the RoC at least 3 (three) Days before the Issue Opening Date.
- b) The LMs will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our registered office or from LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current account number in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Applications by Eligible NRIs/FPI's on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's.

AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FPIs.

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
 - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - b) Nothing contained in clause (a) shall apply to:
 - i. Any transactions in derivatives on a recognized stock exchange;
 - ii. Short selling transactions in accordance with the framework specified by the Board;
 - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - iv. Any other transaction specified by the Board.
 - c) No transaction on the stock exchange shall be carried forward;
 - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;

- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
 - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
 - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - viii. Any other transaction specified by Board.
- e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
4. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
 5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
 6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
 7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard. No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
 - (a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority'
 - (b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.
- Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.
- A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
- Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of Securities and Exchange Board of India of India (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provision of Securities and Exchange Board of India of India (Foreign Portfolio Investors) Regulations, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10.00% of the total issued capital of the company.

An FII or its subaccount who holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as an foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Applications by Eligible QFIs

The RBI in its circular dated January 13, 2012 has permitted Eligible QFIs to invest in the equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have also been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5.00% and 10.00% of the paid up capital of the Indian company respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap. An Eligible QFI may make investments in the equity shares of an Indian company through both the FDI route and the QFI route. However, the aggregate holding of such Eligible QFI shall not exceed 5.00% of the paid-up capital of the Indian company at any point of time.

QFIs shall be eligible to apply under the Non-Institutional Applicants category. Further, SEBI in its circular dated January 13, 2012 has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in equity shares in public issues to be listed on recognized stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights, public issues, etc.

Eligible QFIs shall open a single non-interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time. Eligible QFIs who wish to participate in the Issue are advised to use the Application Form meant for Non- Residents (blue in colour). Eligible QFIs shall compulsorily apply through the ASBA process to participate in the Issue.

Applications by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds:

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribe investment restrictions for various categories of AIF's.

The Category I and II AIFs cannot invest more than 25% of their respective corpus in one Investee Company. A category III AIF cannot invest more than 10% of its corpus in one Investee Company. A venture capital fund - 634 - registered as a category I AIF, as defined in the SEBI (Alternate Investment Funds) Regulations, 2012, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs

which have not re-registered as an AIF under the SEBI (Alternate Investment Funds) Regulations, 2012 shall continue to be regulated by the VCF Regulations.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("**LLP Act**") a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form or the ASBA Application Form, as the case may be. Failing this, our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer, or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be.

Application by Provident Funds/ Pension Funds

In case of Applications made by provident funds with minimum corpus of ₹ 2,500 Lacs (subject to applicable law) and pension funds with minimum corpus of ₹ 2,500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Applications by Banking Companies

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company, the Selling Shareholders severally and not jointly reserve the right to reject any application without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular – Para-banking Activities dated July 1, 2014 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, LLP, registered societies, FPI's, Mutual Funds, insurance companies, banking companies, eligible QFIs and provident funds with minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority and registration certification with their regulatory bodies, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the LMs may deem fit.

The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The Application Form shall bear the stamp of the SCSBs and if not, the same shall be rejected.

Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LMs.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

Payment mechanism for ASBA Applications

All investors other than retail individual investors are required to make their application using ASBA process only.

The ASBA applicants shall specify the bank account number in the Application Form and the SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Application or receipt of instructions from the Registrar to the Issue to unblock the Application Amount. In the event of withdrawal or rejection of the Application Form or for unsuccessful -Application Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal of the Application by the ASBA Applicant, , as the case may be.

In case of Applications by Eligible NRIs applying on repatriation basis, a NRE Account or a FCNR Account, maintained with banks authorized to deal in foreign exchange in India, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.

In case of Applications by Eligible NRIs applying on a non-repatriation basis, a NRE Account or a FCNR Account maintained with banks authorized to deal in foreign exchange in India or a NRO Account, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.

Escrow Mechanism**Terms of Payment / Payment Instructions**

The entire issue price of ₹ 330.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, our Company shall refund the excess amount paid on Application to the Applicants.

Where the payment is made other than ASBA, it should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stock invest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form where payment is made other than ASBA mechanism. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 1. Indian Public including eligible NRIs applying on non-repatriation basis: "ESCROW ACCOUNT - EMKAY TAPS AND CUTTING TOOLS LIMITED - PUBLIC ISSUE - R".
 2. In case of Non-Resident Retail Applicants applying on repatriation basis: " ESCROW ACCOUNT – EMKAY TAPS AND CUTTING TOOLS LIMITED - PUBLIC ISSUE - NR"
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay-in-Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 15 (fifteen) Working Days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

Payment by Stock invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Broker / Sub Broker and SCSBs will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Brokers and the SCSBs, (ii) the Applications uploaded by the Brokers and the SCSBs, (iii) the

Applications accepted but not uploaded by the Brokers and the SCSBs or (iv) with respect to ASBA Applications, Applications accepted and uploaded without blocking funds in the ASBA Accounts.

2. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs and (iv) with respect to Applications by ASBA Applicants, Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account.
3. In case of apparent data entry error either by the Broker / Sub Broker or the collecting bank in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Brokers / Sub Brokers and SCSBs will undertake modification of selected fields in the Application details already uploaded within one Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Brokers and the SCSBs during the Issue Period. The Brokers / Sub Brokers and the Designated Branches can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the online facilities for Book Building on a regular basis. On the Issue Closing Date, the Brokers and the Designated Branches shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Brokers / Sub Brokers on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application and each ASBA Application submitted by an ASBA Applicant, the Brokers and the Designated Branches shall enter the following details of the investor in the on-line system, as applicable:
 - a) Name of the Applicant;
 - b) IPO Name;
 - c) Application Form number;
 - d) Investor Category;
 - e) PAN (of First Applicant, if more than one Applicant);
 - f) DP ID of the demat account of the Applicant;
 - g) Client Identification Number of the demat account of the Applicant;
 - h) Numbers of Equity Shares Applied for;
 - i) Cheque Details in case of Applications other than ASBA Application and Bank Account details in case of ASBA Applicants;
 - j) Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - k) Bank account number.

In case of submission of the Application by an ASBA Applicant through the Electronic Mode, the ASBA Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.

7. A system generated TRS will be given to the Applicant as a proof of the registration of the application. It is the Applicant's responsibility to obtain the TRS from the Brokers / Sub Brokers or the Designated Branches. The registration of the Application by the Brokers / Sub Brokers or the Designated Branches does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.

10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Brokers / Sub Brokers will be given up to one day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Beneficiary Account Number and PAN, then such Applications are liable to be rejected.

Other Instructions

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three (3)). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one (1)) for the total number of Equity Shares required. Two (2) or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, they are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.
- iv. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID

In any event, all the allotments shall be done in demat form and no securities shall be allotted in physical form.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB and Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the LM reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than twenty (20) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("**PAN**") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Please note that Central or State Government and the officials appointed by the courts and investors residing in the State of Sikkim are exempted from specifying their PAN subject to the Depository Participants' verifying the veracity of such claims of the investors in accordance with the conditions and procedures under this section on Issue Procedure.

Right to Reject Applications

Our Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
3. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
4. PAN not mentioned in the Application Form;
5. GIR number furnished instead of PAN;
6. Applications for lower number of Equity Shares than specified for that category of investors;
7. Applications at a price other than the Fixed Price of The Issue;
8. Applications for number of Equity Shares which are less than 400 or not in multiples of 400;
9. Category not ticked;
10. Multiple Applications as defined in this Draft Prospectus;
11. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
12. Applications accompanied by Stock invest/ money order/ postal order/ cash;
13. Signature of sole Applicant is missing;
14. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
15. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
16. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
17. Applications where clear funds are not available in the Escrow Account as per the final certificate from the

- Escrow Collection Bank(s);
18. Applications by OCBs;
 19. Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
 20. In case of applications by Individual, the details such as name, date and similar compulsory details as indicated in the application form are missing.
 21. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
 22. Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
 23. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
 24. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
 25. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹2,00,000, received after 5.00 pm on the Issue Closing Date;
 26. Applications not containing the details of Bank Account and / or Depositories Account.
 27. Where application is made for allotment in physical mode.
 28. Where two or more separate applications for demat and physical are made, the applications for physical shares shall be treated as multiple application and liable for rejection.

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Applicants should note that providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

Any person who:

- a) Makes or abets making of an application in a fictitious name, to the Company for acquiring or subscribing for, any shares therein, or
- b) Makes or abets making of multiple applications to the Company in different names or in combination of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly to the Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be liable to action under Section 447 of the Companies Act, 2013.

Section 447 of the Companies Act, 2013, is reproduced as below:

“Without Prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may exceed to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.”

Signing of Underwriting Agreement

Our Company and the LM to the Issue confirm that the Issue is 100% Underwritten. The Issue is 100% underwritten by the LM in the capacity of Underwriter to the Issue. Pursuant to the terms of the Underwriting Agreement dated May 14, 2015 entered into among our Company, the Selling Shareholders and the underwriter, the obligations of the Underwriter are subject to certain conditions specified therein.

Filing and registration of the Prospectus with the RoC

The Company will file and register a copy of the Prospectus with the RoC in terms of Section 26, 31(1) and 31(2) of the Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, the Company, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

Designated Date and Allotment of Equity Shares

The Company will issue and dispatch letters of allotment / securities certificates and / or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 15 (fifteen) days of the Issue Closing Date.

In case our Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within 3 (three) months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates.

After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within 2 (two) Working Days of the date of Allotment.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 (fifteen) days of closure of Issue.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for en-cashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

General Instructions**Do's:**

- Check if you are eligible to apply;
- Ensure that you have applied at the Issue Price;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about the PAN, Depository Participant and the beneficiary account are correct and the Applicant's Depository Account is active as Allotment of Equity Shares will be in the dematerialised form only;
- Ensure that the applications are submitted at the collection centres only on forms bearing the stamp of a Broker or with respect to ASBA Applicants, ensure that your application is submitted at a Designated Branch of the SCSB where the ASBA Applicant or the person whose bank account will be utilised by the Applicant for applying, has a bank account;
- With respect to applications by ASBA Applicants, ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Non Retail Applicants should submit their applications through the ASBA process only;
- Ensure that you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB or a Banker to the Issue, as the case may be;

- Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- Except for applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) applications by persons resident in the State of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for applications of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Application Form. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the category is indicated;
- Ensure that in case of applications under power of attorney or applications by limited companies, corporate, trusts etc., relevant documents are submitted;
- Ensure that applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the SCSBs match with the DP ID, Client ID and PAN available in the Depository database;
- In relation to the ASBA applications, ensure that you use the Application Form bearing the stamp of the relevant SCSB and/ or the Designated Branch;
- In relation to the ASBA applications, ensure that your Application Form is submitted at a Designated Branch of a SCSB where the ASBA Account is maintained or to our Company or the Registrar to the Issue;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- In relation to the ASBA applications, ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
- In relation to the ASBA applications, ensure that you receive an acknowledgement from the Designated Branch for the submission of your Application Form.

Don'ts:

- Do not apply for a price other than the Issue Price;
- Non Retail Applicants should neither withdraw nor lower the size of their applications at any stage;
- Do not apply on another Application Form after you have submitted an application to the Bankers to the Issue or the SCSBs, as applicable;
- Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to a Banker to the Issue or the SCSB, only;
- Do not apply for an Application Amount exceeding ₹ 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit the applications without the full Application Amount;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872, as amended.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be

rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

Applicant's Depository Account and Bank Details

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/credit of refunds to Applicants at the Applicants sole risk and neither the LMs or the Registrar or the Escrow Collection Banks or the SCSB nor our Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Applicants should note that providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Basis of Allotment

Allotment will be made in consultation with SME Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Equity Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 400 Equity Shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 400 Equity Shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 400 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 400 Equity Shares subject to a minimum allotment of 400 Equity Shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 400 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole

discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.

6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below

As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the allocation' is the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to Individual applicants other than retail individual investors; and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

The unsubscribed portion in either of the categories specified in (a) or (b) above may be made available for allocation to the applicants in the other category, if so required.

"If the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage."

The Executive Director / Managing Director of the SME Exchange in addition to LM and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Allotment and Issuance of Allotment Advice

- a. Upon approval of the Basis of Allotment by the SME Exchange, the Board of Directors of our Company shall pass a Board Resolution within 9 (nine) Working Days, allotting the equity shares to the successful Applicants. The Registrar to the Issue shall upload the allotment details on its website and our Company and Registrar will proceed effect the corporate action for crediting the Equity Shares to the demat account of the allottees. Our Company and Registrar shall endeavour to give instructions to Depositories for credit of shares to successful allottees within 9 (nine) Working Days of Issue Closing Date and receive confirmation of Demat credit from Depositories within 11 (eleven) Working Days of Issue Closing Date.
- b. In the event of under subscription in the Issue and the underwriting being called upon to fulfil the obligations under the Underwriting Agreement, our Company shall make the allotments after achieving the Minimum Subscription within the time specified.
- c. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue. In their own interest, Allottees should verify the Allotment Advice received with their demat credits and bring discrepancy if any to the notice to the Registrar and / or to our Compliance Officer.
- d. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Applicant.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

REFUNDS

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund order Please note that any such delay shall be at the Applicants sole risk and neither our Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the Depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non-Residents, NRIs, FIIs & FVCFs and all Non-Residents, NRIs; FIIs & FVCFs will be treated on the same basis with other categories for the purpose of allocation.

Payment of Refund

Applicants must note that on the basis of name of Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank, Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **NECS (National Electronic Clearing System)** - Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
- 2) **Direct Credit** - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) **RTGS (Real Time Gross Settlement)** - Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹2.00 Lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
- 4) **NEFT (National Electronic Fund Transfer)** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR number. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

- 5) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 9 (nine) working days from the Issue Closing Date.

DISPOSAL OF APPLIACTION AND APPLICATION MONEY

Our Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) Working Days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 (fifteen) Days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 (fifteen) Days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Exchange where the Equity Shares are proposed to be listed are taken within 7 (seven) Working Days of Allotment.

INTEREST IN CASE OF DELAY IN DESPATCH OF ALLOTMENT LETTERS/REFUND ORDERS IN CASE OF PUBLIC ISSUES

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI (ICDR) Regulations, our Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 15 (fifteen) Days of the Issue Closing Date;
- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) Days of the Issue Closing Date would be ensured; and
- 3) The Company shall pay interest at 15% p.a. for any delay beyond the 15 (fifteen) Days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen) Days time.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1. that if the Selling Shareholders do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly.
2. that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
3. that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 7 (seven) working days of finalization of the basis of Allotment;



4. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
5. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (fifteen) days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
6. that the certificate of the securities / refund orders to the non-resident Indians shall be dispatched within specified time; and
7. that no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
8. that Adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

UNDERTAKINGS BY THE SELLING SHAREHOLDERS

The Selling Shareholders undertake that:

1. the Equity Shares being sold by it pursuant to the Issue, have been held by them for a period of at least one year prior to the date of filing the Draft Prospectus with NSE EMERGE, are fully paid-up.
2. they are the legal and beneficial owner of, and have full title to, the Equity Shares being sold in the Issue;
3. the Equity Shares being sold by them pursuant to the Issue are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the time specified under applicable law;
4. they shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the allotment advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by them pursuant to the Issue;
5. they shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the LM in redressal of such investor grievances that pertain to the Equity Shares held by them and being offered pursuant to the Issue;
6. funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in the Draft Prospectus shall be made available to the Registrar to the Issue by the Selling Shareholders;
7. they shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
8. they shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
9. that if the Selling Shareholders do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly. They shall extend all reasonable cooperation requested by our Company and the LM in this regard;
10. they shall not further transfer the Equity Shares except in the Issue during the period commencing from submission of the Draft Prospectus with Stock Exchange until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Issue and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by them in the Issue;
11. they shall take all such steps as may be required to ensure that the Equity Shares being sold by them pursuant to the Issue are available for transfer in the Issue within the time specified under applicable law; and

12. they shall comply with all applicable laws, in India, including the Companies Act, the SEBI Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by them in the Issue.

WITHDRAWAL OF THE ISSUE

Our Company and/or the Selling Shareholders, in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company and/or the Selling Shareholders, in consultation with LM, withdraw the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company and/or the Selling Shareholder. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company and/or Selling Shareholders, in consultation with LM, withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with the a fresh Issue of Equity Shares of our Company or an offer for sale of Equity Shares of our Company, our Company and/or the Selling Shareholders will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

UTILIZATION OF ISSUE PROCEEDS

The Selling Shareholders along with our Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated March 10, 2015 between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated May 05, 2015 between CDSL, the Company and the Registrar to the Issue;

Our Company's shares bear an ISIN i.e. **INE332S01011**

1. An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
2. The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
3. Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
4. Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
5. If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
6. The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis a vis those with his or her Depository Participant.
7. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares of our Company would be in dematerialized form only for all investors.

**Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by Consolidated FDI Policy Circular of 2015 with effect from May 12, 2015 ("Consolidated FDI Policy Circular of 2015") consolidates and subsumes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Consolidated FDI Policy Circular of 2015 will be valid until the DIPP issues an updated circular.

RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2014 which is valid till June 30, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Foreign investment limit is allowed up to 100 per cent under automatic route in our Company, subject to appropriate approvals of the shareholders in general meeting. Currently, the foreign investment in our Company is limited to 24 per cent of the paid up equity share capital of our Company as we have not obtained the approvals of shareholders for a higher limit.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI Policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. However the Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule H of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

Share Capital

1. The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.
2. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

Issue of Sweat Equity Shares

3. Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.

Issue of Debentures

4. The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

Issue of Share Certificates

5.
 - i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within or within such other period as the conditions of issue shall be provided,
 - a. one certificate for all his shares without payment of any charges; or
 - b. Several certificates, each for one or more of his shares, upon payment of Rupees 2 (Rupees Two) for each Share Certificate after the first.
 - ii. The Company agrees to issue certificate within 15 (Fifteen) days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within one month of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
 - iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 - iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

6. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of ₹ 2 (Rupees Two) for each certificate.
7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Provided that notwithstanding what is stated herein above the Directors shall comply with such rules or regulation or requirements of Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

8. The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

Power to pay Commission in connection with the Securities issued

9.
 - i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.
 - ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
 - iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Variations of Shareholder's rights

10.
 - i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
 - ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.

Issue of Preference Shares

12. Subject to the provisions of section 55, any preference shares may, be issued on the terms that they are to be redeemed on such terms, mode and manner as the Company before the issue of the shares may, by special resolution, determine.

Further Issue of shares

13. Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:
 - a. Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;

- i. The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days and not being more than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - ii. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (i) shall contain a statement of this right;
 - iii. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.
 - b. To employees under a scheme of employees' stock option, subject to special resolution passed by Company and subject to such conditions as may be prescribed.
14. Notwithstanding anything contained in sub clause (a) or (b) of clause 14, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in sub-clause (a) or (b) of clause 14 above) in any manner whatsoever.
- i. If a special resolution to that effect is passed by the Company in general meeting, and
 - ii. The price of such shares is determined by valuation report of a registered Valuer subject to such conditions as are prescribed under Companies (Share Capital and Debentures) Rules, 2014 or any other applicable laws.
15. Nothing in the clause 14 shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company.

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

16. Notwithstanding anything contained in clause 16, where any debentures have been issued, or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, that Government may, by order, direct that such Debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the company, the Company may, within 60 (sixty) days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

Lien

- 17.
- i. The Company shall have a first and paramount lien—
 - a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
18. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- a. unless a sum in respect of which the lien exists is presently payable; or



- b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 19.
- i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
 - ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
 - iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 20.
- i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
 - ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
21. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
22. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Joint Holdings

23. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-
- a) The Company shall be entitled to decline to register more than three persons as the joint-holders of any share.
 - b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
 - c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
 - d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.
 - e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.
 - f)
 - i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if her were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.
 - ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.

- g) The provisions of these Articles relating to joint-holding of shares shall *mutatis mutandis* apply to any other securities including Debentures of the company registered in Joint-names.

Calls on shares

24.

- i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call.

- ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
iii. A call may be revoked or postponed at the discretion of the Board.

25. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

27.

- i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.

28.

- i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture
iii. Or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

29. The Board—

- i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent. Per annum, as may be agreed upon between the Board and the member paying the sum in advance.

30. Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.

Provided, however that any amount paid to the extent called-up shall be entitled to proportionate dividend and voting right.

31. The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.

32. The provisions of these Articles relating to call on shares shall *mutatis mutandis* apply to any other securities including debentures of the company.

Transfer of shares

- 33.
- i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.
 - ii. Each share in the Company shall be distinguished by its appropriate number.
 - iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.
- 34.
- i. The instrument of transfer of any share in the Company shall be duly stamped and executed by or on behalf of both the transferor and transferee, specifying the name, address and occupation, if any, of the transferee.
 - ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
35. The Board may, subject to the right of appeal conferred by section 58 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-
- i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - ii. any transfer of shares on which the Company has a lien.
 - iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.
36. The Board shall decline to recognise any instrument of transfer unless—
- i. The instrument of transfer is in writing and all the provisions of Section 56 of the Act, and the rules made there under, and of any statutory modification thereof for the time being in force, have been duly complied with;
 - ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.
- Provided that, transfer of shares in whatever lot shall not be refused.
37. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),
- i. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter , then the securities will be transferred;
 - ii. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.
38. The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay
39. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year
40. The provisions of these Articles relating to transfer of Shares shall *mutatis mutandis* apply to any other securities including debentures of the company.

Register of Transfers

41. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Dematerialisation of Securities

42. i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.

- ii. a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

- b. Option for Investors:
Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security

- c. Securities in Depository to be in fungible form:-
All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.

Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

- d. Rights of Depositories & Beneficial Owners:-

Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

- e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

- f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

- iii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

- iv. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

- v. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

- vi. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

- vii. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013

and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

- viii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Transmission of shares

- 43.
- i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
 - ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 44.
- i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
 - a. to be registered himself as holder of the share; or
 - b. to make such transfer of the share as the deceased or insolvent member could have made.
 - ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 45.
- i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
 - ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
 - iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
46. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
47. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of instrument of transfer.
48. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

49. The provisions of these Articles relating to transmission of Shares shall mutatis mutandis apply to any other securities including debentures of the company.
50. No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

Power to Nominate

51. Subject to provisions of Section 72 of the Act, read with rules made in this regard, every holder of Securities of the company may, at any time, nominate, in the manner as prescribed in Rules, any person to whom his Securities shall vest in the event his death.

Forfeiture of shares:

52. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
53. The notice aforesaid shall—
- i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
54. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 55.
- i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
 - ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 56.
- i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
 - ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- 57.
- i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
 - ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;
 - iii. The transferee shall thereupon be registered as the holder of the share; and
 - iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
58. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
59. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

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60. Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
61. The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
62. The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
63. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company

Initial payment not to preclude forfeiture

64. Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.

Alteration of capital

65. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
66. Subject to the provisions of section 61, the Company may, by ordinary resolution,—
 - i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - iv. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Conversion of Shares into Stock

67. Where shares are converted into stock,—
 - i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- iii. such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

Reduction of Capital

68. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- i. its share capital;
 - ii. any capital redemption reserve account; or
 - iii. any share premium account.

Share Warrants

69. The Company may issue share warrants subject to, and in accordance with, the provision of the Act, and accordingly the Board may in its discretion, with respect to any Share which is fully paid up, on application in writing signed by the person registered as holder of the Share, and authenticated by such evidence (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.
70. The bearer of a share warrant may at any time deposit the warrant in the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of the deposit, as if his name were inserted in the register of members as the holder of the Shares including in the deposited warrant.
71. Not more than one person shall be recognized as depositor of the share warrant.
72. The Company shall, on two days written notice, return the deposited share warrant to the depositor.
73. Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.
74. The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the Shares included in the warrant, and he shall be a member of the Company.
75. The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Capitalisation of profits

- 76.
- i. The Company in general meeting may, upon the recommendation of the Board, resolve—
 - a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
 - ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
 - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;
 - c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
 - d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
 - iii. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.

77.

- i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—
 - a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - b. generally do all acts and things required to give effect thereto.
- ii. The Board shall have power—
 - a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- iii. Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

78. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

General Meeting

79. All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.

80.

- i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
- ii. The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).
- iii. The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.
- iv. If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
- v. A meeting under clause (iv) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- vi. Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (iv) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

Proceedings at general meetings

81.

- i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- ii.
 - i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.
 - ii. In any other case, the quorum shall be decided as under:
 - (i) Fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
 - (ii) Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

82. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

83. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
84. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
85. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
86. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

- 87.
- i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.
 - ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

- 88.
- i. A poll demanded on a question of adjournment shall be taken forthwith.
 - ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

Adjournment of meeting

- 89.
- i. Where a meeting of the members could not be held for want of quorum, then, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (i), the company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

- ii. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- iii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- iv. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- v. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**Voting rights**

90. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- i. on a show of hands, every member present in person shall have one vote; and
 - ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
91. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 92.
- i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
 - ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
93. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

94. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 95.
- i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
 - ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
96. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

Scrutinisers at poll

- 97.
- i. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinisers to scrutinise the votes given on the poll and to report thereon to him.
 - ii. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutiniser from office and to fill vacancies in the office of scrutiniser arising from such removal or from any other cause.
 - iii. Of the two scrutinisers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

Manner of taking poll and result thereof

- 98.
- i. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
 - ii. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Casting Vote

99. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Representation of Body Corporate

100. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

Representation of the President of India or Governors

- 101.
- i. The President of India or the Governor of a State if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Companies Act, 2013 of the Act or any other statutory provision governing the same.
 - ii. A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or as the case may be the Governor could exercise, as a member of the Company.

Circulation of member's resolution

102. The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.

Resolution requiring special notice

103. The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.

Resolutions passed at adjourned meeting

104. The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

Registration of resolutions and agreements

105. The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.

Minutes of proceedings of general meeting and of Board and other meetings

- 106.
- i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
 - ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :
 - a. In the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - b. In the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

- c. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- d. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- e. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- f. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
 - i. the names of the Directors present at the meetings, and
 - ii. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.
- iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
 - a. is or could reasonably be regarded, as defamatory of any person
 - b. is irrelevant or immaterial to the proceedings; or
 - c. is detrimental to the interests of the Company.
- iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

Minutes to be considered to be evidence

107. The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

Presumptions to be drawn where minutes duly drawn and signed

108. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 118 of the Act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Directors or KMP's, Auditors or Company secretary in practice, shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

Publication of reports of proceeding of general meetings

109. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

Proxy

110. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

111. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

112. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

113. If any instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

114.No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting or poll whatsoever.

Board of Directors

115.The first directors of the Company shall be:

- i. SHRI. AJAYPRAKASH KANORIA
- ii. SHRI. DEVPRAKASH KANORIA

116.The Directors need not hold any “Qualification Share(s)”.

117.The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

118.Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

119.Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

120.An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

121.If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

122.If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

123.The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had been vacated.

124.If at any time the Company obtains any loans from any financial institution and/or any Central or States Government and/or any firm, authority, person, body corporate (hereinafter called Lender) and it is a term of such loan that the Lender shall have the right to appoint one or more Directors, then subject to the terms and conditions of such loans, the Lender shall be entitled to appoint one or more Directors, as the case may be, on the Board of the company and to remove from office any Director, so appointed and to appoint another in his place or in the place of a director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be signed by the Lender or by any person duly authorised by it and shall be served at the office of the Company. The Directors so appointed shall not be liable to retire by rotation in accordance with the provisions of these Articles. Such Directors shall cease to be Directors after the loan is repaid fully.

Retirement and Rotation of Directors

125.Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.

126.The remaining Directors shall be appointed in accordance with the provisions of these Articles.

127.At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

128.Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any



agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.

129. Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.

130. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

Removal of Directors

131. The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.

132. Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

133. On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

134. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-

- (a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and
- (b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company)

And if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

135. A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.

136. A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

137. If the vacancy is not filled under clause (5) above, it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.

138. Nothing in this section shall be taken-

- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
- b) As derogating from any power to remove a director under other provisions of this Act.

Managing/ Whole Time/ Executive Directors

139. Subject to the provisions of the Act and various modifications made there under:
140. The Board may from time to time authorize one or more of their members or any other person to carry on the business of the Company and to delegate to them or others such powers as are necessary for the management of the company.
141. The Board may at any time appoint one or more of their members as Managing Director or Whole Time Director of the Company on such terms and conditions as they may deem proper. The period of such appointment of Managing Director or Whole Time Director shall not exceed the term prescribed under the Act.
142. The Board may, from time to time, subject to the provisions of the Act, entrust to or confer upon the Managing Director or Managing Directors or whole time Director or whole time Directors for the time being such of the powers exercisable by the Board under these presents, as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms, conditions and with such restriction as they may think proper.

Remuneration and sitting fees to Directors including Managing and whole time Directors

143. Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company

In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.

- a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or
 - b. In connection with the business of the Company.
144. Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of ₹ 1,00,000/- (Rupees One Lac) or any other sum as may be fixed by the Board from time to time for every meeting of the Board of Directors and/ or Committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 197, 301, 188 of the Act read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

Powers and duties of Directors:**Certain powers to be exercised by the Board only at meeting**

- 145.
- i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.
 - a. The power to make calls on shareholders in respect of money unpaid on their shares;
 - b. The Power to authorize buy-back of securities under Section 68 of the Act.
 - c. Power to issue securities, including debenture, whether in or outside India
 - d. The power to borrow moneys
 - e. The power to invest the funds of the Company,
 - f. Power to Grant loans or give guarantee or provide security in respect of loans
 - g. Power to approve financial statements and the Board's Report
 - h. Power to diversify the business of the Company
 - i. Power to approve amalgamation, merger or reconstruction
 - j. Power to take over a Company or acquire a controlling or substantial stake in another Company
 - k. Powers to make political contributions;
 - l. Powers to appoint or remove key managerial personnel (KMP);
 - m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
 - n. Powers to appoint internal auditors and secretarial auditor;

- o. Powers to take note of the disclosure of director's interest and shareholding;
- p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;
- q. Powers to invite or accept or renew public deposits and related matters;
- r. Powers to review or change the terms and conditions of public deposit;
- s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.

- ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.
- iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.
- v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in sub-clauses (a),(b), (c), (d), (e) (f), (g), (h), (i) and (j) of clause (i) above.

Restriction on powers of Board

146.

- i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :
 - i. sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
 - ii. remit, or give time for the repayment of any debt, due by a Director;
 - iii. invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
 - iv. borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or
 - v. Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year exceed five percent of its average net profits during the three financial years, immediately proceeding.
- ii. Nothing contained in sub-clause (a) above shall affect:
 - i. the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or
 - ii. The selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.
 - iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
 - iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

147. Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.

General powers of the Company vested in Directors

148. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Specific powers given to Directors

149. Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers, it is hereby expressly declared that the Directors shall have the following powers:

- i. to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- ii. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013 and 208 of the Companies Act, 1956;

150.

- i. Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;
- ii. Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- iii. At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

151. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;

152. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;

153. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;



154. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
155. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
156. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
157. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
158. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
159. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
160. To refer, subject to the provisions of Section 180 of the Companies Act, 2013 any claims or demands by or against the Company to arbitration and observe and perform the awards;
161. To act on behalf of the Company in all matters relating to bankrupts and insolvents;
162. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 180 of the Companies Act, 2013.
163. To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents on the Company's behalf;
164. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.
165. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
166. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
167. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
168. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions,

allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;

169. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
170. Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividend or for equalising dividend for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by Section 180 of the Companies Act, 2013) as the directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purpose as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption or redeemable preference shares, debentures or debenture stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.
171. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.
172. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
173. Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of sub-delegation) any Director, Officer or Officers or Employees for the time being of the Company and/or any other person, firm or Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper.
174. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

Proceedings of the Board

- 175.
- i. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
 - ii. The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time summon a meeting of the Board.
176. The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.
- 177.
- i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
 - ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
178. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
179. The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
- 180.
- i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
 - ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

Delegation of Powers of Board to Committee

- 181.
- i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
 - ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 182.
- i. A committee may elect a Chairperson of its meetings.
 - ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 183.
- i. A committee may meet and adjourn as it thinks fit.
 - ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
184. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
185. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

186. Subject to the provisions of the Act,—
- i. A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer,

manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

- ii. A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.

187. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, Company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, Company secretary or chief financial officer.

The Seal

188.

- i. The Board shall provide for the safe custody of the seal.
- ii. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Dividends and Reserve

189. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

190. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

191.

- i. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

192.

- i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

193. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

194.

- i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

Emkay Taps and Cutting Tools Limited

195. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
196. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
197. No dividend shall bear interest against the Company.
198. No amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;
199. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.
200. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
201. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Accounts

- 202.
- i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.
 - ii. No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

Inspection of Statutory Documents of the Company:**203. Minutes Books of General Meetings**

- i. The books containing the minutes of the proceedings of any general meeting of the Company shall:
 - a) be kept at the registered office of the Company, and
 - b) be open, during the business hours of the Company for not exceeding more than two hours in each day.

Provided however that any person willing to inspect the minute's books of General Meetings shall intimate to the Company his willingness at least 15 days in advance.

- ii. Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of ₹ 10/- (Ten Rupees only) for each page or part thereof.

Register of charges:**204.**

- i. The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.
- ii. The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—
 - a. by any member or creditor without any payment of fees; or
 - b. by any other person on payment of such fees as may be prescribed,



Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.

Winding up

205.If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up. If the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be prejudice to the rights of the holders of shares issued upon special terms and conditions.

206.In the event of Company being wound up, whether voluntarily, or otherwise, the liquidators, may with sanction of Special Resolution, divide among the contributors, in specie or kind, whole or any part of the assets of the Company and may with the like sanction, vest the whole or any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as Liquidators, with like sanction shall think fit.

Indemnity

207.Subject to the provisions of Section 197 of the Act, every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified against and it shall be the duty of the Directors to pay out of funds of the Company all bonafide costs, losses and expenses (including travelling expenses) which any such Directors, Manager or Secretary or other officer or employee may incur or become liable to by reason of any contract entered into or any way in the discharge of his or their duties and particular, and so as not to limit the generality of the forgoing provisions, against all liabilities incurred by him or by them as such Director, Manager, Secretary, Officer or Employee in defending and proceeding whether civil or criminal in which judgment is given in his or their favour or he or they is or are acquitted, or in connection with any application under Section 463 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.

208.Subject to the provisions of the Act and so far as such provisions permit, no Director, Auditor or other Officer of the Company shall be liable for acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company or for the insufficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss occasioned any error or judgment, omission, default or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his dishonesty.

Insurance

209.The Company may take and maintain any insurance, including Directors' and Officers' Liability insurance, as the Board may think fit, on behalf of its present and/or former Directors and Key Managerial Personnel for indemnifying all or any of them against any liability for any act in relation to the Company for which they may be liable but have acted honestly and reasonably.

Secrecy

210.Every Director, Manager, Secretary, trustee, Member or Debenture holder, Member of a Committee, officer, servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND MATERIAL DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two (2) years before the date of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus, to be delivered to the Registrar of Companies, Mumbai, Maharashtra, for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company at Plot No. B-27 and B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur – 440 016, Maharashtra, India from 11.00 a.m. to 6.00 p.m. on working days from the date of the Draft Prospectus until the Issue Closing Date.

Material Contracts

1. Memorandum of Understanding dated May 14, 2015 executed among our Company, the Selling Shareholders and the LM.
2. Memorandum of Understanding dated May 14, 2015 executed among our Company, the Selling Shareholders and the Registrar to the Issue.
3. Market Making Agreement dated May 14, 2015 among our Company, the LM and the Market Maker.
4. Underwriting Agreement dated May 14, 2015 among our Company, the Selling Shareholders and the Underwriter
5. Tripartite Agreement among NSDL, our Company and the Registrar to the Issue dated March 10, 2015.
6. Tripartite Agreement among CDSL, our Company and the Registrar to the Issue dated May 05, 2015.
7. Escrow Agreement dated [●] among our Company, the LM, Escrow Collection Bank(s), Refund Bank(s) and the Registrar to the Issue.
8. Share Escrow Agreement dated [●] among our Company, the Selling Shareholders, the LM and Escrow Agent.

Material Documents

1. Certificate of Incorporation of **Emkay Taps and Cutting Tools Limited**.
2. Deed of Assignment dated April 01, 1996 for taking over “Emkay Tools”, proprietary concern of Ajayprakash Kanoria HUF.
3. Our Company’s Memorandum of Association and Articles of Association as amended.
4. Copy of the Board Resolution dated May 5, 2015 authorizing the Issue by the Board of Directors of our Company and other related matters.
5. Copies of the Authority letters provided by the Selling Shareholders.
6. Copies of Audited Financial Statements of our Company for 10 months period ended January 31, 2015 and financial years ended March 31, 2014, 2013, 2012, 2011, 2010.
7. Peer Review Auditors Report dated June 19, 2015 on Restated Financial Statements of our Company for 10 months period ended January 31, 2015 and financial years ended March 31, 2014, 2013, 2012, 2011 and 2010.
8. Copy of the Statement of Tax Benefits dated June 01, 2015 from the Statutory Auditors of our Company.
9. Consents of the LM, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Statutory Auditor of our Company, Peer Review Auditor, Promoters, Directors of our Company as on date in their capacity as Managing Director/Whole-time Director/Non Executive Independent Director, Chairman of our Company, Chief Financial Officer, Company Secretary and Compliance Officer of our Company, Bankers to our Company, Advisor to the Issuer
10. Copy of Certificate from the Peer Review Auditors of our Company, M/s. KPRK & Associates, Chartered Accountants, June 19, 2015 regarding the Eligibility of the Issue.
11. Board Resolution dated June 27, 2015 for approval of Draft Prospectus.
12. In-principal approval letter dated [●] from SME platform of National Stock Exchange of India Limited to use the name of NSE in the Prospectus for Listing of Equity Shares of our Company on NSE Emerge
13. Due Diligence Certificate from Lead Manager dated June 29, 2015 filed with National Stock Exchange of India Limited along with filing of Draft Prospectus and dated [●] to be submitted to SEBI along with filing of Prospectus.

DECLARATION

I, the person mentioned herein below, as the Selling Shareholder, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY THE SELLING SHAREHOLDER:

Mr. Ajayprakash Kanoria	Sd/-
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Place: Nagpur**Date: June 29, 2015**

DECLARATION

I, the person mentioned herein below, as the Selling Shareholder, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY THE SELLING SHAREHOLDER:

Mrs. Alka Kanoria	Sd/-
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Place: Nagpur**Date: June 29, 2015**

DECLARATION

I, the person mentioned herein below, as Karta of Ajayprakash Kanoria HUF (“one of the Selling Shareholders”), certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY, FOR AJAYPRAKASH KANORIA HUF:

Mr. Ajayprakash Kanoria <i>Karta</i>	Sd/-
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Place: Nagpur**Date: June 29, 2015**

DECLARATION

I, the person mentioned herein below, as Director of Nagpur Tools Private Limited (“one of the Selling Shareholders”), certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY FOR NAGPUR TOOLS PRIVATE LIMITED:

Mr. Ajayprakash Kanoria <i>Director</i> <i>DIN: 00041279</i>	Sd/-
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Place: Nagpur**Date: June 29, 2015**

DECLARATION

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY:

Mr. Ajayprakash Kanoria <i>Chairman & Managing Director</i> DIN:- 00041279	Sd/-
Mrs. Alka Kanoria <i>Whole-time Director</i> DIN:- 00041346	Sd/-
Mr. Rahul Bagdia <i>Non Executive Independent Director</i> DIN:- 03068623	Sd/-
Mr. Mahesh Ishwardas Mor <i>Non Executive Independent Director</i> DIN:- 07151767	Sd/-
Mr. Ravindra Ramesh Loiya <i>Non Executive Independent Director</i> DIN:- 07158487	Sd/-

SIGNED BY -

Mr. Vishnu Sontakke <i>Chief Financial Officer</i> PAN: BVAPS9056A	Sd/-
Ms. Shruti R. Sohane <i>Company Secretary and Compliance Officer</i> PAN: BWYPS0665Q	Sd/-

Place: Nagpur

Date: June 29, 2015

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