



DRAFT SCHEME OF ARRANGEMENT

APPROVED BY THE BOARD OF DIRECTORS
OF EMKAY TAPS AND CUTTING TOOLS LIMITED AND EMKAY TOOLS LIMITED

Date: 29.06.2023

Place: Nagpur

DRAFT SCHEME OF ARRANGEMENT
BETWEEN
EMKAY TAPS AND CUTTING TOOLS LIMITED
(DEMERGED COMPANY)
AND
EMKAY TOOLS LIMITED
(RESULTING COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 OF THE
COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 AND RULES & REGULATIONS FRAMED
THEREUNDER

PREAMBLE

This Scheme of Arrangement (“**Scheme of Demerger**”) is presented under the Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed thereunder, and also read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961, between Emkay Taps And Cutting Tools Limited (‘Demerged Company’) and Emkay Tools Limited (‘Resulting Company’) and their respective shareholders.

This Scheme provides for the following:

- (i) The demerger of the Demerged Undertaking (defined in clause 1.9) of Emkay Taps And Cutting Tools Limited and vesting of the same in the Resulting Company i.e., Emkay Tools Limited on a going concern basis and consequential issue of New Equity Shares (defined below) of the Resulting Company to the shareholders of Emkay Taps And Cutting Tools Limited;

As approved by the Board,

For EMKAY TAPS AND CUTTING TOOLS LTD.

[Signature]
Chairman, Managing Director & CEO

29/06/2023

- (ii) Various other matters consequential, supplemental and / or otherwise integrally connected therewith.

(A) DESCRIPTION OF COMPANIES:

- i. Emkay Taps and Cutting Tools Limited (“Demerged Company”) is a listed public limited company, originally incorporated as private limited company under the erstwhile provisions of the Companies Act, 1956 on July 27, 1995 and converted into a public limited company under the provisions of Companies Act, 2013 vide certificate of registration issued by Registrar of Companies, Maharashtra at Mumbai on April 24, 2015. The Corporate Identification Number of the Demerged Company is (L29220MH1995PLC091091). The Registered Office of the Demerged Company is situated at Plot No. B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur – 440 016 in the State of Maharashtra. The Demerged Company is engaged in the business of manufacturing of threading taps and cutting tools, and production of power through windmill. The equity shares of the Demerged Company are listed since August 13, 2015 on the SME Platform of National Stock Exchange of India Limited (NSE EMERGE).
- ii. Emkay Tools Limited (“Resulting Company”) is an unlisted public limited company incorporated, as wholly owned subsidiary of Emkay Taps and Cutting Tools Limited, under the provisions of Companies Act, 2013 on April 25, 2023 vide Corporate Identity Number U25939MH2023PLC401627. The Registered Office of the Resulting Company is situated at Plot No B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur – 440 016 in the State of Maharashtra. The Resulting Company has been incorporated with an object of engaging in the business of manufacturing of threading taps and cutting tools. The equity shares of the Resulting Company are proposed to be listed on the SME Platform of National Stock Exchange of India Limited. (NSE EMERGE).

(B) OVERVIEW OF BUSINESSES & RATIONALE FOR THE SCHEME OF ARRANGEMENT:

- i. The Demerged Company, is engaged in 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 and cutting tools. In addition to the above, the Demerged Company is also engaged in the business of production of power through windmills located in Rajasthan and Karnataka.
- ii. The Manufacturing Business (defined in clause 1.13) has different characteristics, risk, and rewards than the Remaining Business of the Demerged Company (defined in clause 1.17). Consequently, growth and expansion of the Manufacturing Business (defined in clause 1.13) requires a differentiated strategy which is aligned to the market dynamics. This will help enhance shareholder value. Further, the growth of the Manufacturing Business will require focused investments in research and development. Given this, it is considered desirable to demerge the Manufacturing Business of the Demerged Company with the Resulting Company in the manner and on the terms and conditions stated in this Scheme.
- iii. The demerger will have the following benefits to the companies and the shareholders:
 - Segregation of the businesses will unlock the true potential of each business vertical, which will allow more focused strategy, management bandwidth and attention to execute each business segment's respective vision.
 - Strengthening customer service, distribution network and overall economies of scale for all the business verticals.
 - Provide higher degree of flexibility to evaluate independent business opportunities.

- Enhance the financial performance to enable use of assets from its primary mode of business and generate revenues which in turn be strengthening the company's overall financial health over a period of time.
- Effective and streamlined decision making will enable improved business risk management that can help take advantage of risks that are worth taking against potential benefits and prevent unacceptable risks being taken.
- Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on National stock exchange of India Ltd. NSE EMERGE SME platform and will unlock the true value of the Demerged Undertaking for the shareholders of the Demerged Company. Further the existing shareholders of the Demerged Company would hold the shares of two listed entities after the Scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.

The Scheme is in the best interests of the respective entities and their stakeholders including their respective shareholders. Further, the Scheme shall not be prejudicial to the interest of the creditors, since it does not involve any compromise or arrangement with the creditors of the Demerged Company or the Resulting Company.

(C) TREATMENT OF THE SCHEME FOR THE PURPOSE OF THE INCOME-TAX ACT, 1961

For demerger of the Demerged Undertaking (defined in clause 1.9) of the Demerged Company into the Resulting Company, this Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income-tax Act, 1961. If any of the terms or provisions of this Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(19AA) of the

Income-tax Act, 1961 shall prevail and the Scheme shall stand deemed modified to the extent determined necessary to comply with the provisions of Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- i. **Part I** deals with the definitions, interpretations and the share capital;
- ii. **Part II** deals inter alia with the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company in accordance with the provisions of section 2(19AA) of the Income-tax Act, 1961 and pursuant to Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013, as may be applicable, issuance of New Equity Shares by Resulting Company to the shareholders of the Demerged Company and the cancellation of the shares held by the Demerged Company in the Resulting Company; and
- iii. **Part III** deals with the general terms and conditions that would be applicable to this Scheme.

PART I

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- 1.1 **“Act”** or **“the Act”** means the Companies Act, 2013, and ordinances, rules and regulations made thereunder, and shall include any statutory modifications, re-enactments, or amendments thereof for the time being in force;
- 1.2 **“Accounting Standards”** means the generally accepted accounting principles in India complying with (i) the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 as amended from time to time and to the extent in force; and (ii) the relevant provisions of the Act;
- 1.3 **“Applicable Law”** means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force in India;
- 1.4 **“Appointed Date”** means April 1, 2024 or such other date as may be approved by the Hon’ble National Company Law Tribunal, Mumbai Bench for Part II of this Scheme;
- 1.5 **“Appropriate Authority”** or **“Governmental Authority”** means and includes any applicable Central, State or Local Government, legislative body, regulatory or administrative authority, Registrar of Companies, Regional Director, Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or

arbitration or arbitral body having jurisdiction on behalf of the Republic of India or any state or province or other political subdivision thereof or in any other nation over Demerged Company or Resulting Company, as the context may require;

- 1.6 **“Board of Directors” or “Board”** means the Board of Directors of the Demerged Company and Resulting Company and shall include any committee or sub-committee or any person(s) appointed and authorized by the respective Board of Directors for the purposes of matters pertaining to this Scheme or any other matter relating thereto;
- 1.7 **“CIN”** means Corporate Identification Number;
- 1.8 **“Demerged Company” or “ETCTL”** means Emkay Taps and Cutting Tools Limited, having CIN L29220MH1995PLC091091, incorporated under the erstwhile provisions of the Companies Act, 1956 and having its registered office presently at Plot No B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur – 440 016 in the State of Maharashtra;
- 1.9 **“Demerged Undertaking”** shall include all the business, undertakings, activities, operation and properties, of whatsoever nature and kind and wherever situated, forming part of the Manufacturing Business of the Demerged Company as a going concern including but not limited to, the following:
- i. All assets and properties, whether movable or immovable, tangible or intangible (including the Intellectual Property Rights as defined in clause 1.12 and excluding the Non-Current Investments as defined in clause 1.15) pertaining to the Manufacturing Business, whether registered or not), whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, capital work in progress, advances, deposits, sundry debtors, inventories, cash and bank balances, bills of exchange, other fixed assets, trademarks, loans,

inventory and work in progress wherever situated pertaining to the Manufacturing Business;

- ii. Various incentives, subsidies, special status and other benefits or privileges enjoyed (including minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and services tax and other incentives, including any profit linked incentives), granted by any Government body, local authority or by any other person pertaining to the Manufacturing Business;
- iii. Loans, deposits and advances, including capital advances, pertaining to Manufacturing Business;
- iv. Assets other than those referred to in sub-clause (i) above being general in nature, if any, allocated to Manufacturing Business in the manner as may be decided by the Board of Directors of Emkay Taps and Cutting Tools Limited, the Demerged Company;
- v. All present and future liabilities arising out of the activities or operations of the Manufacturing Business including loans, deposits, debts, current liabilities and provisions, duties and obligations relatable to the Manufacturing Business;
- vi. All contingent liabilities, including arising out of any corporate guarantees, letters of comfort and other or any other similar non-fund based credit relatable to the Manufacturing Business;
- vii. The balance in profit and loss account pertaining to the Manufacturing Business, which shall be computed as difference between the book value of assets and book value of liabilities transferred to the Resulting Company under this Scheme, as reduced by the face value of shares issued by the Resulting Company under Clause 5 of this Scheme;

viii. Without prejudice to the generality of the above clause, the Demerged Undertaking shall include in particular:

- a. All immovable properties, Intellectual Property Rights, incentives / benefits, and registrations, licenses, and consents referred to in Annexure I.
- b. all movable and immovable properties, capital work in progress, assets, including lease-hold rights, tenancy rights, registrations, permits, authorizations, trademarks, patents and other industrial and intellectual properties, electrical connections, telephones, facsimile and other communication facilities and equipment, rights and benefits of all agreements, pending applications and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals in respect of the Manufacturing Business.
- c. all quotas, rights and licenses, assignments and grants thereof, all permits, registrations, rights under any agreement, contracts, government contracts, applications, memorandum of understanding, letters of intent, tender (including open tender), or any other contracts, approvals, regulatory approvals, consents, entitlements, industrial and other licenses, municipal permissions, goodwill, cash balances, bank balances, bank accounts, privileges, benefit of any deposits, financial assets, corporate guarantees or any other instruments of similar nature issued to/by Emkay Taps and Cutting Tools Limited, the Demerged Company in relation to the Manufacturing Business and the benefits of any bank guarantees issued in relation to the Manufacturing Business for the benefit of Emkay Taps and Cutting Tools Limited, the Demerged Company, deferred tax benefits, privileges, all other claims, rights, benefits and licenses, powers and facilities of every kind, nature and description whatsoever, rights to use

- and avail utilities, water and other services, provisions, funds, tenancies in relation to the office and/or residential properties for the employees, offices, patents, copyrights, investments pertaining to Manufacturing Business and/or interest (whether vested, contingent or otherwise) in activities undertaken by the Manufacturing Business, either solely or jointly with other parties, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Manufacturing Business;
- d. all books, records, files, papers, computer programs, manuals, data, catalogues, quotations, backup and other data and records whether physical or electronic form, directly or indirectly in connection with or relating to the Manufacturing Business;
 - e. all contracts, agreements, understanding in connection with or pertaining to or relatable to the Manufacturing Business;
 - f. all employees of Emkay Taps and Cutting Tools Limited, the Demerged Company employed in and / or relatable to the Manufacturing Business as on the Effective Date; and
 - g. all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by Emkay Taps and Cutting Tools Limited, the Demerged Company, directly or indirectly in connection with or in relation to the Manufacturing Business;
 - h. all tax balances or credits pertaining to the Demerged Undertaking of the Demerged Company, including under the Income Tax Act, 1961 such as credit for advance tax, minimum alternate tax ('MAT'), taxes deducted at source, taxes collected at source, MAT credit under Section 115JAA of

Income Tax Act, 1961 etc, benefits under the sales tax laws of the respective states, sales tax set off, benefits of any unutilised MODVAT/CENVAT/Service tax credits, unutilised input tax credit of Central Goods and Services Tax ('CGST'), Integrated Goods and Services Tax ('IGST'), State Goods and Services Tax ('SGST'), Goods and Services Tax Compensation Cess ('GST Compensation Cess') etc., the unabsorbed business brought forward losses and unabsorbed depreciation as per the books of accounts and the tax losses and unabsorbed depreciation under the provisions of Income Tax Act, 1961),

- i. all liabilities (including contingent liabilities which includes corporate guarantees, letter of comfort or any other similar non-fund based credit issued by Emkay Taps and Cutting Tools Limited, the Demerged Company in relation to the Manufacturing Business) arising out of the activities or operation of the Manufacturing Business including in relation or connection with taxes or under or in relation to its contracts, other obligations, duties and sums owing;
- j. specific loans and borrowings raised, if any, or inter corporate deposits incurred and utilized solely for the activities or operations of the Manufacturing Business; and
- k. liabilities other than those referred to in sub-clauses (g) and (h) above being the amounts of general or multipurpose borrowings, if any, of Emkay Taps and Cutting Tools Limited, the Demerged Company as allocated to the Manufacturing Business in the same proportion in which the book value of the assets transferred under this clause bears to the total book value of the assets of Emkay Taps and Cutting Tools Limited, the Demerged Company immediately before the Appointed Date of the Scheme as may be determined by the Board of Directors of Emkay Taps and Cutting Tools Limited, the Demerged Company.

- 1.10 **“Effective Date”** means the last of the dates on which all the conditions and matters referred to in Clause 18 of this Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to **“coming effect of this Scheme”** or **“effectiveness of this Scheme”** or **“Scheme becoming effective”** shall mean the Effective Date;
- 1.11 **“Intellectual Property”** shall mean all forms of intellectual property subsisting under the laws of India and all analogous rights subsisting under the laws of each and every Jurisdiction throughout the world. Intellectual Property includes patents, trademarks, service marks, trade names, registered designs, copyrights, rights of privacy and publicity, and other forms or intellectual or industrial property, know how, inventions, formulae, confidential or secret processes, trade secrets, any other protected rights or assets, and any licenses and permission in connection therewith, in each and any part of the world and whether or not registered or registrable and for the full period thereof, and all extensions and renewals thereof, and all applications for registration in connection with the foregoing.
- 1.12 **“Intellectual Property Rights”** shall mean all rights arising out of or in relation to the Intellectual Property.
- 1.13 **“Manufacturing Business”** in relation to Emkay Taps and Cutting Tools Limited, the Demerged Company means 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 and cutting tools;
- 1.14 **“New Equity Shares”** means the equity shares having a par value of INR 1 per share issued by the Resulting Company to the shareholders of the Demerged Company as a consideration pursuant to this Scheme, as per the Demerger Share Entitlement Ratio set out in Clause 5;

- 1.15 **“Non-Current Investments”** shall mean and include all form of investment in mutual funds, quoted and unquoted equity shares, investments made through Portfolio Management Service (PMS), and any other investment of whatsoever nature included under the head Non-current Investments in the Non-Current assets of the Demerged Company, which are not pertaining to the Manufacturing Business.
- 1.16 **“NSE”** means National Stock Exchange of India Limited
- 1.17 **“Record Date”** in relation to Part III of the Scheme means the date to be fixed by the Board of Directors of the Demerged Company for the purpose of determining the shareholders of the Demerged Company to whom New Equity Shares will be issued and allotted by the Resulting Company pursuant to the Scheme;
- 1.18 **“Remaining Business of the Demerged Company”** means all undertakings, businesses, activities, operations, assets, investments (including Non-Current Investments) and liabilities of the Demerged Company other than the Demerged Undertaking;
- 1.19 **“Resulting Company” or “ETL”** means Emkay Tools Limited, a company incorporated as a public limited company under the Companies Act, 2013 with CIN U25939MH2023PLC401627 and having its registered office presently at Plot No B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur – 440 016;
- 1.20 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form as submitted in accordance with the provisions of Sections 230 to 232 of the Act or with any modification(s), if any, made under Clause 18 of the Scheme or with such other modification/amendments as the NCLT may direct.
- 1.21 **“SEBI”** means Securities and Exchange Board of India

- 1.22 **"SEBI Circular"** means SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;
- 1.23 **"Stock Exchange"** shall mean National stock exchange of India Ltd. (NSE)
- 1.24 **"Tribunal" or "NCLT"** means the Hon'ble National Company Law Tribunal, bench at Mumbai having jurisdiction in relation to each of the companies under this Scheme and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of the NCLT to sanction the Scheme under the Act.
- 1.25 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws, rules, regulations, bye-laws, or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme as set out herein in its present form or with any modification(s) or amendment(s) approved or imposed or directed by the NCLT or any other appropriate authority shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1 The share capital of Emkay Taps and Cutting Tools Limited, the Demerged Company as on 31st May 2023, is as under: -

Share Capital	Amount (in INR)
<u>Authorised Share Capital</u>	
1,20,00,000 Equity Shares of INR 10/- each	12,00,00,000
Total	
<u>Issued, subscribed and paid-up Share Capital</u>	
1,06,71,300 Equity Shares of INR 10/- each	10,67,13,000
Total	10,67,13,000

There is no change in the capital structure of Emkay Taps and Cutting Tools Limited, the Demerged Company after the aforesaid date.

- 3.2 The share capital of Emkay Tools Limited, the Resulting Company as on 31st May 2023 is as under: -

Share Capital	Amount (in INR)
<u>Authorised Share Capital</u>	
1,25,00,000 Equity Shares of INR 1/- each	1,25,00,000
Total	1,25,00,000
<u>Issued, subscribed and paid-up Share Capital</u>	
1,00,000 Equity Shares of INR 1/- each	1,00,000
Total	1,00,000

There is no change in the capital structure of Emkay Tools Limited, the Resulting Company after the aforesaid date. As on date, Emkay Taps and Cutting Tools Limited, the Demerged Company holds 100% of equity share capital of Emkay Tools Limited, the Resulting Company.

PART II

4. DEMERGER OF THE DEMERGED UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

- 4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking of the Demerged Company as defined in Clause 1.9, shall pursuant Section 230 to 232 of the Act and other relevant provision of the Act and the order of the NCLT sanctioning the Scheme, without any further act, instrument or deed, be transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, on a going concern basis, in accordance with Section 2(19AA) of the Income-tax Act, 1961, so as to vest in the Resulting Company all the rights, title and interest of Demerged Undertaking therein, subject to the subsisting charges and pledges, if any.
- 4.2 Without prejudice to the provisions of Clause 4.1, assets and properties of the Demerged Company relating to Demerged Undertaking, upon the coming into effect of this Scheme and with effect from the Appointed Date, under the provisions of Sections 230 to 232 of the Act, without any further act or deed or instrument or conveyance for the same shall deemed to be transferred to the Resulting Company and shall become the assets and properties of the Resulting Company. The order of the NCLT shall for all purposes be treated as the instrument conveying such properties and assets to the Resulting Company.
- 4.3 In respect of assets such as Intellectual Property Rights, intangible assets, actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities, bodies and customers, relating to the Demerged Undertaking, the Demerged Company shall if so required by the Resulting Company, issue

notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT or such other competent authority having sanctioned this Scheme under Section 232 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Demerged Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company.

- 4.4 All immovable properties, if any, (including land, building and any other immovable property) of Demerged Undertaking of the Demerged Company whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall automatically stand vested in the Resulting Company without the requirement of execution of any further documents for registering the name of the Resulting Company as the owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar, Municipality, Collector, Mamlatdar, etc. may rely on the Scheme along with the order passed by NCLT, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Resulting Company as the owner of the immovable properties. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.
- 4.5 If any asset relating to Demerged Undertaking (including but not limited to any estate, rights, title, interest in or authorities relating to such asset) which the Demerged Company owns, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall, (i) hold such asset in trust for the sole benefit of the Resulting Company till the same is transferred and shall hold and deal with the same in accordance with the reasonable instructions as may be given by the Resulting Company in that regard; and (ii) make reasonable efforts to transfer

such asset to the Resulting Company (along with any benefits attached thereto) within the earliest possible period pursuant to the Scheme becoming effective.

- 4.6 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Intellectual Property Rights, patents, patent rights applications, trademarks, trade names, knowhow, content, software, manuals, copyrights and other industrial properties and rights of any nature whatsoever and licenses assignments, grants in respect thereof, privileges, liberties, easements, contract advantages, benefits, goodwill, quota rights, permits, approvals, authorizations, right to use and avail of telephones, telexes, facsimile and other communication facilities, connections, equipment and installations, utilities, electricity and electronic devices and all other services of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements including but not limited to indemnities/ guarantees given by the Demerged Company in relation to Demerged Undertaking, deposits, advances, recoverable and receivables whether from government, semi-government, local authorities or any other customs etc., benefits of any agreement to sell of immovable properties sold or purchased by the Demerged Company in relation to Demerged Undertaking, and all other rights, interests, claims and powers of every kind, nature and description of and arising to them, benefits of all agreements, subsidies, grants, tax credits including but not limited to benefits of tax relief including under the Income Tax Act, 1961 such as credit for advance tax, minimum alternate tax ('MAT'), taxes deducted at source, taxes collected at source, MAT credit under Section 115JAA of Income Tax Act, 1961 etc, benefits under the sales tax laws of the respective states, sales tax set off, benefits of any unutilised MODVAT/CENVAT/Service tax credits, unutilised input tax credit of Central Goods and Services Tax ('CGST'), Integrated Goods and Services Tax ('IGST'), State Goods and Services Tax ('SGST'), Goods and Services Tax Compensation Cess ('GST Compensation Cess') etc., the unabsorbed business brought forward losses and unabsorbed depreciation as per the books of accounts and the tax losses and unabsorbed depreciation under the provisions of Income Tax Act, 1961), cash and bank balances, all earnest monies

and/ or deposits including security deposits paid by them, the entire business and benefits and advantages of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by, the Demerged Company and relatable to Demerged Undertaking, stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in the Resulting Company pursuant to the provisions of Section 232 of the Act so as to become as and from the Appointed Date, the estate, assets, right, title and interests of the Resulting Company.

- 4.7 Upon the coming into effect of this Scheme and with effect from the Appointed Date, any statutory licenses, permissions or approvals or consents held by the Demerged Company required to carry on operations of Demerged Undertaking shall stand transferred to and vested in the Resulting Company by virtue of order of NCLT sanctioning the Scheme, and without any further act or deed shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company pursuant to the Scheme.
- 4.8 In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and services tax and other incentives, including any profit linked incentives), granted by any Government body, local authority or by any other person and availed of by the Demerged Undertaking of the Demerged Company, the same shall vest with and be available to the Resulting Company on the same terms and conditions as presently available to the Demerged Company.
- 4.9 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all income, expenses, debts, liabilities, whether known or unknown including, without limitation, all secured and unsecured debts, sundry creditors, contingent

liabilities, duties, obligations and undertakings of the Demerged Company, in relation to Demerged Undertaking, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the NCLT, as the case may be, and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to, and vested in, or be deemed to have been transferred to and vested in the Resulting Company and shall be assumed by the Resulting Company to the extent they are outstanding as on the Effective Date so as to become, as on and from the Appointed Date, the income, expenses, liabilities, debts, sundry creditors, contingent liabilities, duties and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company, and the Resulting Company shall meet, discharge and satisfy the liabilities and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

- 4.10 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the debts, advances, liabilities and obligations pertaining to Demerged Undertaking of the Demerged Company, along with the balance in profit and loss account pertaining to the Demerged Undertaking of the Demerged Company (which shall be computed as difference between the book value of assets and book value of liabilities transferred to the Resulting Company under this Scheme, as reduced by the face value of shares issued by the Resulting Company under Clause 5 of this Scheme), shall, under the provisions of Sections 230 to 232 of the Act, without any further act or deed shall stand transferred to or be deemed to be transferred to the Resulting Company and shall become the debts, advances, liabilities and obligations of the Resulting Company which it undertakes to meet, discharge and satisfy and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, advances,

liabilities and obligations have arisen in order to give effect to the provisions of this clause.

- 4.11 In so far as the assets comprised in Demerged Undertaking of the Demerged Company are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings not relating to Demerged Undertaking shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to the liabilities, which are not related to Demerged Undertaking of the Demerged Company. The Demerged Company may apply to the authorities for release of such assets and for modification of charges and encumbrances created on such assets, if required.
- 4.12 Upon the coming into effect of this Scheme, the borrowing limits of the Resulting Company in terms of Section 180(1)(c) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of the Demerged Company (in relation to demerged undertaking) which are being transferred to the Resulting Company pursuant to the Scheme, such limits being incremental to the existing limits of the respective Resulting Company, with effect from the Appointed Date. The approval of this Scheme by the members of Resulting Company shall be deemed to be an approval under section 180(1)(c) of the Act, and the Resulting Company shall not be required to obtain a separate approval in respect of the same from the members.
- 4.13 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Demerged Company (in relation to demerged undertaking) after the Effective Date shall be accepted by the bankers of Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company or received through electronic transfers. Similarly, the banker of Resulting Company shall honour all cheques / electronic fund transfer instructions issued by

Resulting Company (in relation to demerged undertaking) for payment after the Effective Date. If required, the bankers of the Demerged Company and Resulting Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/ made in the name of Resulting Company.

- 4.14 Benefits of any and all corporate approvals as may have been taken by the Demerged Company in connection with the Demerged undertakings, including approvals under Sections 180, 186 and 188 of the 2013 Act shall not require separate approval to the Resulting Company and the said corporate approvals and compliances shall be deemed to have been taken/ complied with by the Resulting Company.
- 4.15 All taxes (including income tax, sales tax, excise duty, service tax, VAT, CGST, IGST, SGST, GST Compensation Cess, custom duty, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, CGST, IGST, SGST, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, the Demerged Company in respect of the profits from activities of Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.
- 4.16 Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between or amongst the Demerged Company and the Resulting Company, in so far as it relates to the Demerged Undertaking, shall be considered as intra-party transactions for all purposes.

5. CONSIDERATION

- 5.1 Upon this Scheme becoming effective and in consideration of the demerger of the Demerged Undertaking from the Demerged Company and vesting of the Demerged Undertaking into the Resulting Company in accordance with this Scheme, the Resulting Company, without any further act or deed and without receipt of any cash, shall issue and allot to the shareholders of the Demerged Company as on the Record Date (as may be decided by the board of directors), 1 (One) fully paid up equity share of face value of INR 1/- (Rupee One only) each of Resulting Company for every 1 (One) fully paid up equity shares of face value of INR 10/- (Rupees Ten only) each held in the Demerged Company (“Demerger Share Entitlement Ratio”).
- 5.2 The New Equity Shares to be issued and allotted by the Resulting Company to the shareholders of the Demerged Company shall be subject to the Scheme, the Memorandum and Articles of Association of the Resulting Company and the applicable laws for the time being in force and shall rank pari passu in all respects including dividends, with the then existing equity shares of the Resulting Company and the Resulting Company shall not be required to seek separate consent/ approval of its shareholders.
- 5.3 The New Equity Shares issued above shall be in dematerialized form and shall be issued into the respective account(s) in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the Demerged Company and / or its Registrar.
- 5.4 The issue and allotment of New Equity Shares to the shareholders of the Demerged Company in the Resulting Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under the Act.

- 5.5 In the event of any restructuring of the equity share capital by the Demerged Company or the Resulting Company, including by way of share split / consolidation / issue of bonus shares or other similar action in relation to share capital of the Demerged Company or the Resulting Company, at any time before the Record Date, the Demerger Share Entitlement Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate action.
- 5.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.
- 5.7 The issue and allotment of New Equity Shares as provided in Clause 5.1, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, as the case may be, pursuant to the aforesaid Clause 5.1. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be in due compliance of the provisions of Sections 42 and 62 of the Act and other laws, rules and regulations, as may be applicable.
- 5.8 The Resulting Company shall, to the extent required, increase its authorised share capital to facilitate, issue of equity shares under this Scheme. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company

under Sections 230 and 232 of the Act shall be deemed to be the approval under Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required, in this regard.

- 5.9 The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government/Regulatory authorities and undertake necessary compliance for the issue and allotment of New Equity Shares to the members of the Demerged Company pursuant to Clause 5.1 of the Scheme.
- 5.10 The equity shares to be issued by the Resulting Company to the members of the Demerged Company in accordance with clause 5.1 of this Scheme will be listed and/or admitted to trading in terms of Rule 19(7) of the Securities Contract (Regulation) Rules, 1957 and other applicable rules/regulations on all the Stock Exchanges on which shares of the Demerged Company are listed on the Effective Date.
- 5.11 The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Resulting Company for complying with the formalities / requirements of the said Stock Exchanges. The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in Resulting Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges. The Resulting Company shall not issue/ reissue any other shares under this Scheme, except as expressly stated herein below.
- 5.12 The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals, if any, from or intimate the concerned regulatory authorities,

including the Reserve Bank of India, for the issue and allotment of equity shares by the Resulting Company to the non-resident/foreign citizen equity shareholders of the Demerged Company. The Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable the Resulting Company to issue and allot equity shares to the non-resident/ foreign citizen equity shareholders of the Demerged Company.

- 5.13 The holders of shares of the Demerged Company and the Resulting Company shall, save as otherwise provided under this Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividend from the respective companies of which they are shareholders till the Effective Date

6. CANCELLATION OF SHARES OF THE RESULTING COMPANY

- 6.1 The Resulting Company is a wholly owned subsidiary of the Demerged Company. Accordingly, simultaneous with the issuance of the Equity Shares in accordance with the provisions of the Scheme, the existing shares held by the Demerged Company (directly and through its nominees) in the Resulting Company shall stand automatically cancelled without any further application, act, instrument or deed.
- 6.2 The cancellation of the equity share capital held by the Demerged Company and its nominees in Resulting Company, in accordance with this Clause 6.1 of this Scheme, shall be effected as an integral part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of

Section 66 of the Act as well and no further compliances would be separately required.

- 6.3 The reduction would not involve either a diminution of liability in respect of unpaid share capital, or payment of paid-up share capital to the shareholders and the provisions of Section 66 of the Act will not be applicable.
- 6.4 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add “And Reduced” as suffix to its name and the Resulting Company shall carry on its old name.

7. ACCOUNTING TREATMENT

7.1 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

Notwithstanding anything contained in any other clauses of the Scheme, the accounting treatment for the purpose of this Scheme, in the books/financial statements of the Demerged Company shall be in accordance with the Accounting Standards (AS) notified under section 133 of Companies Act, 2013 as amended from time to time in accordance with the requirements of applicable AS.

- i. Upon the Scheme becoming effective, the Demerged Company shall reduce the carrying value of assets and liabilities pertaining to the Demerged Undertaking to be transferred and vested in the Resulting Company.
- ii. The value of investments pertaining to Manufacturing Business appearing in the books of the Demerged Company, representing equity shares held in Resulting Company shall be cancelled and derecognized. Furthermore, the inter-company balances in form of loans and advances, receivables, payables and other dues outstanding between the Demerged Company and

the Resulting Company, pertaining to the Demerged Undertaking, will stand cancelled, and there shall be no further obligation / outstanding in that behalf.

- iii. The difference between the carrying values of assets transferred and vested over, and the carrying value of liabilities vested (i.e., net carrying value of assets transferred and vested), after adjusting for cancellation of inter-company balances and cancellation of shares held in the Resulting Company, shall be adjusted with reserves of the Demerged Company, as per applicable AS.

7.2 ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

Notwithstanding anything contained in any other clauses of the Scheme, the accounting treatment for the purpose of this Scheme, in the books/financial statements of the Resulting Company shall be in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act, 2013 as amended from time to time.

- i. The assets, and liabilities of the Demerged Undertaking transferred and vested in the respective Resulting Company shall be recorded at their carrying values as appearing in the books of the Demerged Company as at the opening of the business hours of the Appointed Date and in accordance with the requirements of the respective AS;
- ii. The inter-company balances in form of loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company, pertaining to the Demerged Undertaking, will stand cancelled, and there shall be no further obligation / outstanding in that behalf;

- iii. The Resulting Company shall credit its Share Capital Account in its books of accounts with the aggregate face value of the new shares issued to the shareholders of the Demerged Company pursuant to Clause 5 of this Scheme;
- iv. The identity of the balance in the profit and loss account transferred from the Demerged Company to the Resulting Company shall be preserved in the books of the Resulting Company, and shall be computed as difference between the book value of assets and book value of liabilities transferred to the Resulting Company under this Scheme, as reduced by the face value of shares issued by the Resulting Company under clause 5 of this Scheme;
- v. Pursuant to Clause 6, the face value of shares held by the Demerged Company in the Resulting Company shall be cancelled, and such face value, net of adjustment made in sub clause (v) above, if any, will be transferred to Capital Reserve

8. EMPLOYEES

- 8.1 On the Scheme becoming effective, all staff and employees of the Demerged Company, in relation to Demerged Undertaking, as on the Effective Date shall be deemed to have become staff and employees of the Resulting Company without any break or interruption in their services, on same terms and conditions of their employment with the Demerged Company. The Resulting Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past service with the Demerged Company, as the case may be, shall also be taken into account. The Resulting Company undertakes to continue to abide by the terms of agreement/settlement entered into by the Demerged Company with employees' union/employee or association as the case may be.

8.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of the Demerged Company, in relation to Demerged Undertaking, or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company in relation to such Fund or Funds shall become those of the Resulting Company. It is clarified that the Resulting Company shall do all things necessary to apply and obtain registration of Gratuity trust as exempt and shall carry out such steps as may be necessary to register the employees of the Demerged Company, in relation to Demerged Undertaking, with the Employee's Provident Fund Organization or any other government provident fund organization, as per the provisions of applicable regulations and the same shall be binding on all employees. It is clarified that the services of the staff and employees of the Demerged Company, in relation to Demerged Undertaking, will be treated as having been continuous for the purpose of the said Fund or Funds.

9. LEGAL PROCEEDINGS

9.1 All legal proceedings of whatsoever nature, including all proceedings related to direct taxes, indirect taxes (which shall specifically cover proceedings under the Income-tax Act, 1961, Wealth Tax Act, 1957, Central Excise Act, 1944, Finance Act, 1994, Customs Act, 1962, Customs Tariff Act, 1975, Central Goods and Service Tax Act, 2017, Inter-State Goods and Service Tax Act, 2017, and applicable State Goods and Service Tax Act), whether pending or threatened, by or against the Demerged Company at the Appointed Date and or arising after the Appointed Date till the Effective Date, relating to Demerged Undertaking of the Demerged Company, as and from the Effective Date, shall be continued and enforced by or

against the Resulting Company in the manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.

- 9.2 After the Appointed Date till the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 9.1 above, it shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 9.3 After the Effective Date, if any proceedings are taken or continued against the Demerged Company in respect of Demerged Undertaking carried on by the Resulting Company, the Resulting Company shall defend the same at its own cost; and, in respect of Demerged Undertaking carried on by the Resulting Company after the Effective Date, the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities, costs and obligations incurred by the Demerged Company, if any, in respect thereof.
- 9.4 The Demerged Company shall in no event be responsible or liable in relation to any legal or other proceedings referred to in Clause 9.1 above that stand transferred to the Resulting Company. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 9.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company, after the Effective Date. In the event that the Demerged Company is required to be joined as a necessary party in any such proceedings, the Demerged Company shall be added as a necessary party to enable the Resulting Company to prosecute / defend such proceedings and the Resulting Company shall reimburse and indemnify the Demerged Company against all costs, liabilities and obligations incurred by the Demerged Company, if any, in respect thereof.

10. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 10.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments, whether pertaining to immovable properties or otherwise of whatsoever nature relating to Demerged Undertaking and to which the Demerged Company are a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under.
- 10.2 Without prejudice to the transfer and vesting of Demerged Undertaking to and in the Resulting Company, the Resulting Company, may, at any time after this Scheme becomes effective, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations with or in favor of any party to any agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments relating to Demerged Undertaking. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.
- 10.3 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licences, consents, registrations, approvals, municipal permissions, insurance policies, connections for water, electricity and drainage, sanctions, obligations/benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, privileges, easements and

advantages, facilities, rights, powers and interests (whether vested or contingent), relating to Demerged Undertaking shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company as if the same were originally given or issued to or executed in favor of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.

- 10.4 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to Demerged Undertaking, which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do till such time as the transfer is executed.
- 10.5 In pursuance of the Scheme, the Demerged Company and the Resulting Company shall agree to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents and enter into such arrangements as may be required for giving effect to this Scheme.
- 10.6 All guarantees provided by the Demerged Company in respect of the Demerged Undertaking shall be valid and subsisting till adequate arrangements / guarantees have been provided in respect of the same by the Resulting Company

11. TREATMENT OF TAXES

- 11.1 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, Chapter VIII of Finance Act, 2016, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other

state Sales Tax / Value Added Tax laws, Chapter V of Finance Act, 1994, The Integrated Goods and Services Tax Act, 2017, The Central Goods and Services Tax Act, 2017, Maharashtra Goods and Services Tax Act, 2017 and any other state Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017, Stamp Laws or other Applicable Laws/ regulations, as amended from time to time (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the Demerged Undertaking whether or not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to Resulting Company.

11.2 All taxes (including income tax, minimum alternate tax, tax on distributed profits (i.e. Dividend Distribution Tax), tax on distributed income (i.e. Buy-back Tax), equalisation levy, wealth tax, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, GST Compensation Cess, value added tax ('VAT'), etc.) paid or payable by the Demerged Company in respect of the Demerged Undertaking under any Tax Laws for the time being in force in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Resulting Company and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, GST Compensation Cess, VAT, etc.), whether by way of deduction at source, advance tax, or otherwise howsoever, by the demerged Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and, shall, in all proceedings, be dealt with accordingly.

11.3 Any refund under the tax laws due to the Demerged Company and pertaining to the Demerged Undertaking consequent to the assessments made on the Demerged Company and for which no credit is taken in the accounts as on the date immediately

preceding the Appointed Date shall belong to and be received by the Resulting Company.

- 11.4 Further, any tax holiday/deduction/exemption/carry forward losses (including loss as per books of accounts) and unabsorbed depreciation (including unabsorbed depreciation as per books of accounts) entitled to / enjoyed/availed by the Demerged Company and pertaining to the Demerged Undertaking under the provisions of Income Tax Act, 1961 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company and be entitled to/enjoyed/availed/utilized by the Resulting Company on and from the Appointed Date in the same manner as would have been entitled to/enjoyed/availed/utilized by the Demerged Company before implementation of this Scheme.
- 11.5 Without prejudice to the generality of the above, all benefits including under the Income Tax Act, 1961, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, GST Compensation Cess, VAT, etc., pertaining to the Demerged Undertaking to which the Demerged Company is entitled to in terms of the applicable tax laws of the Union and State Governments, shall be available to and vest in the Resulting Company.
- 11.6 Upon this Scheme becoming effective, the Demerged Company and the Resulting Company are expressly permitted to revise or modify their financial statements and returns, along with prescribed forms, filings and annexures under the Income-tax Act, 1961 (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), goods and services tax laws and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, minimum alternative tax credit and foreign tax credit), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective.

12. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 12.1 With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company shall carry on the business of Demerged Undertaking with reasonable diligence in the ordinary course of business. The Demerged Company shall not, without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with, or dispose off, any of the assets of Demerged Undertaking or any part thereof.
- 12.2 With effect from the Appointed Date and up to and including the Effective Date:
- i. The Demerged Company, in relation to Demerged Undertaking, shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold, and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments pertaining to Manufacturing Business and strategic decisions for and on account of, and in trust for, the Resulting Company;
 - ii. All profits and income accruing or arising to the Demerged Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), in relation to Demerged Undertaking, for the period commencing from the Appointed Date and up to and including the Effective Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Resulting Company;
 - iii. Any rights, powers, authorities or privileges exercised by the Demerged Company, in relation to Demerged Undertaking, shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and

as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Demerged Company, in relation to Demerged Undertaking, shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company;

- iv. All taxes (including, without limitation, income tax, wealth tax, sales tax, excise duty, custom duty, service tax, VAT, IGST, SGST, GST Compensation Cess, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, wealth tax, sales tax, excise duty, custom duty, service tax, VAT, IGST, SGST, GST Compensation Cess, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and, shall, in all proceedings, be dealt with accordingly; and
- v. The Demerged Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees of Demerged Undertaking, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of the Resulting Company.

12.3 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Resulting Company may be required to carry on the business of Demerged Undertaking.

13. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 13.1 The Remaining Business of the Demerged Company and all the assets, liabilities and obligations other than Demerged Undertaking shall continue to belong to and be vested in and be managed by the Demerged Company.
- 13.2 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings in relation to the Remaining Business.
- 13.3 If proceedings are taken against the Resulting Company in respect of the matters referred to in Clause 13.2 above, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost and risk of the Demerged Company, and the Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by Resulting Company in respect thereof. In respect of such defense, the Demerged Company shall extend full and timely cooperation, including providing requisite information, personnel and the like, so as to enable the Resulting Company to defend the same.
- 13.4 Subject to the other provisions of this Scheme, in so far as the assets of the Manufacturing Business are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of

the Remaining Business of the Demerged Company shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of the Demerged Company which are not transferred to the Resulting Company.

- 13.5 In so far as the assets of the Remaining Business of the Demerged Company are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Manufacturing Business shall, without any further act, instrument or deed be released and discharged from such security, pledge, charges and mortgages. The absence of any formal amendment which may be required by a bank and /or financial institution in order to affect such release shall not affect the operation of this clause.
- 13.6 In so far as the existing security in respect of the loans and other liabilities relating to the Remaining Business of the Demerged Company are concerned, such security shall, without any further act, instrument or deed be continued with the Demerged Company only on the assets which are remaining with the Demerged Company.
- 13.7 Post demerger to carry on the remaining business of the Demerged Company, all the requisite business specific approvals, registrations, modifications and any other necessary compliance(s) as may be applicable at that time be applied and obtained from the respective regulatory authorities.
- 13.8 With effect from the Appointed Date and upto and including the Effective Date:
- i. The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;
 - ii. All profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business of the Demerged Company shall, for all purposes, be

treated as the profits or losses, as the case may be, of the Demerged Company;
and

- iii. All assets and properties acquired by the Demerged Company in relation to the remaining Business of the Demerged Company on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

14. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of the proceedings by or against the Resulting Company under this Scheme shall not affect any transaction or proceedings already concluded by the Demerged Company to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Resulting Company.

15. MISCELLANEOUS

Upon effectiveness of this Scheme from Effective Date, the provisions of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to this Scheme. Accordingly, upon effectiveness of this Scheme from Effective Date, all relevant records shall be updated / amended so as to give effect to this Scheme and to vest the Demerged Undertaking together with all assets, liabilities, contracts, licences, intellectual property rights and employees of the Demerged Undertaking in the Resulting Company, without any procedural requirements for such assets, liabilities, contracts, licences, intellectual property rights and employees to first be registered or recorded in the name of the Demerged Company in terms of this Scheme.

PART III

16. APPLICATIONS TO NCLT OR OTHER APPROPRIATE AUTHORITIES

16.1 The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make necessary applications under Sections 230 to 232 of the Act and/or other applicable provisions of the Act to the Hon'ble NCLT or such other Appropriate Authority, where the registered offices of the Demerged Company and the Resulting Company are situated, for seeking order for dispensing with or convening, holding and conducting of meeting of the members and/or creditors of the Demerged Company and the Resulting Company, as may be directed by the NCLT or such other Appropriate Authority for approval of this Scheme and all matters ancillary or incidental thereto.

16.2 On the Scheme being approved by the requisite majorities of the members and/or creditors of the Demerged Company and the Resulting Company whether at a meeting or by consents, as prescribed under the Applicable Laws and/or as directed by the NCLT or such other Appropriate Authority, the Demerged Company and the Resulting Company shall, with all reasonable dispatch, apply to the NCLT, Bench at Mumbai for sanctioning of the Scheme under Sections 230 to 232 of the Act, and for such other order or orders, as the NCLT or such other authority may deem fit for carrying this Scheme into effect.

17. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

17.1 The Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or accord their consent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT or any other authority, may deem fit to direct or impose or which may otherwise be considered necessary, desirable or

appropriate by them. The Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise whatsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any clause of this Scheme, or otherwise, Board of Directors of the Demerged Company and the Resulting Company will have complete power to take the most sensible interpretation so as to render the Scheme operational.

- 17.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Demerged Company and the Resulting Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

18. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

- 18.1 The effectiveness of this Scheme is and shall be conditional upon and subject to the fulfillment of the following conditions:
- a. Obtaining observation letter from the stock exchanges, where the equity shares of the Demerged Company are listed or SEBI, in relation to the Scheme under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015;

- b. Approval of the Scheme by requisite majority of each class of shareholders and creditors of the Demerged Company and the Resulting Company and such classes of persons of the said Companies, if any, as applicable or as may be required under the Act and/or as may be directed by the Tribunal;
- c. Approval of the Scheme by the public shareholders of Demerged Company through e-voting in terms of para 10 of part I of the SEBI Circular and the Scheme shall be acted upon only if the votes cast by the public shareholders of Demerged Company in favour of the proposal are more than the number of votes cast by the public shareholders of Demerged Company against it;
- d. Compliance with the other provisions of the SEBI Circular or with the provisions of any other any Applicable Law;
- e. The Scheme being sanctioned by the Hon'ble NCLT under Sections 230 to 232 of the Act;
- f. Certified or authenticated copy of the final Order of the NCLT, sanctioning this Scheme under the provisions of Sections 230 to 232 of the Act, being filed with the Registrar of Companies, Maharashtra at Mumbai either by way of filing required e-forms with Ministry of Corporate Affairs portal or otherwise; and
- g. The Demerged Company and the Resulting Company are in compliance with minimum public shareholding requirements on a fully diluted basis; in accordance with and to the extent applicable under SEBI regulations; and further also undertake to comply with the same, with regard to any equity shares that will be issued pursuant to this Scheme.

18.2 It is hereby clarified that submission of the Scheme to the Tribunal and to the Appropriate Authorities for their respective approval is without prejudice to all

rights, interests, titles or defense's that the Demerged Company and the Resulting Company may have under or pursuant to all Applicable Laws.

- 18.3 On the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company and such other classes of persons of the said Companies, if any, such shareholders and classes of persons shall also deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger set out in this Scheme, related matters and this Scheme itself.

19. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

- 19.1 In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT or such other competent authority and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person and save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights, liabilities or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

20. REVOCATION, WITHDRAWAL OF THIS SCHEME

- 20.1 The Board of the Demerged Company shall be entitled to revoke, cancel, withdraw and declare this Scheme of no effect at any stage if, (a) this Scheme is not being sanctioned by the NCLT or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this

Scheme are not obtained or for any other reason (b) in case any condition or alteration imposed by the shareholders and / or creditors of the Demerged Company and Resulting Company, the NCLT or any other authority is not acceptable to the Board of the Demerged Company; or (c) the Board of the Demerged Company is of the view that the coming into effect of this Scheme, in terms of the provisions of this Scheme, or filing of the drawn up order with Appropriate Authority could have adverse implications on all or any of the Demerged Company or Resulting Company

- 20.2 On revocations, withdrawal, cancellation, this Scheme shall stand revoked, withdrawn, cancelled, and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Demerged Company and the Resulting Company or their respective shareholders or creditors, or employees, or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, the Demerged Company shall bear all costs relating to this Scheme unless otherwise mutually agreed.

21. DIVIDENDS

- 21.1 The Demerged Company shall be entitled to declare and pay dividends to its shareholders in respect of the accounting period ending 31st March 2023 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended / declared only by the mutual consent of the concerned parties.
- 21.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Demerged Company or the Resulting

Company to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be at the discretion of the respective Boards of the Demerged Company and the Resulting Company, and subject to approval, if required, of the shareholders of the Demerged Company and the Resulting Company respectively.

22. SCHEME AS AN INTEGRAL WHOLE AND SEVERABILITY

The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of the Demerged Company and the Resulting Company.

23. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Demerged Company and the Resulting Company and all concerned parties without any further act, deed, matter or thing.

24. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses including stamp duty and registration fee of any deed, document, instrument and/or order passed by the Hon'ble NCLT including this Scheme or in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme, if any (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company shall be borne in the manner as may be mutually agreed to between the Board of Directors

or persons authorised by the Board of Directors of the Demerged Company and the Resulting Company.



Annexure I

This Annexure forms an integral part of the Scheme, and lists down the specific list of immovable properties, Intellectual Property Rights, incentives / benefits, and registrations / consents / licenses which shall form part of the Demerged Undertaking, and be transferred from the Demerged Company to the Resulting Company under this Scheme, without prejudice to the generality of the definition of 'Demerged Undertaking' as defined in this Scheme

- **List of immovable properties**

Sr. No.	City	Type of Property	Property details and address
1.	Nagpur	MIDC Industrial Land	B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016, Maharashtra
2.	Nagpur	MIDC Industrial Land	L-6/1 M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016, Maharashtra
3.	Nagpur	Factory and office Building	B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016, Maharashtra
4.	Nagpur	Factory and office Building	L-6/1 M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016, Maharashtra

- **List of Intellectual Property Rights**

Sr. No.	Nature	Details
1.	Trademark	 EMKAY TOOLS HSS GROUND THREAD TAP <hr/> Trademark No. 904020 in Class-OB valid till 17.02.2030
2.	Trade Name	EMKAY TOOLS
3.	Product Marking	

- **List of Industry Specific Incentive / Benefits**

Sr. No.	Type of Incentive	Details
1.	Package Scheme of Incentives - 2019	Eligibility Certificate No. JDIN/PSI-2019/Expn/EC No.18/2021-22/37687 dated 16/12/2022 Operative period of EC 01.04.2022 to 31.03.2038
2.	Scheme for Remission of Duties or Taxes on Export Products (RODTEP)	Foreign Trade Policy 2015-20 vide DGFT Notification No. 19/2015-20 dated 17.08.2021 wherein Credit available under the Scheme for Exports can be utilised for Imports, credit available under this scheme is ongoing and perpetual in nature
3.	Goods and Service Tax	Input credit available under Goods and Service Tax is ongoing and perpetual in nature

• **List of Industry Specific Registrations/Consents/License(s)**

Sr. No.	Particulars	Details
1.	Import Export Code	IEC code: 0393050165 issued by Ministry of Commerce and Industry, Directorate General of Foreign Trade
2.	Factory License	Validity 2023-2027
3.	Maharashtra Pollution Control Board	Green I SSII G-46 Consent No: SRO-NAGPUR II/CONSENT/ 2106000077 valid till 31.10.2025
4.	MSME Udyam Registration Number	Issued by Ministry of Micro, Small and Medium Enterprise UDYAM-MH-20-0004544

F

 Chairman, Managing Director & CEO

CA Harsh Chandrakant Ruparelia

Registered Valuer – Securities or Financial Assets

(IBBI Registration No. IBBI/RV/05/2019/11106 and

Membership No. ICMAI RVO/S&FA/00054)

STRICTLY PRIVATE & CONFIDENTIAL

To,

The Board of Directors

Emkay Taps and Cutting Tools Limited

Emkay Tools Limited

Plot No. B-27 and B-27/1,

MIDC Hingna, Industrial Estate,

Nagpur – 440 016.

Dear Sirs,

Sub: Report on Recommendation of Share Entitlement Ratio for the proposed Scheme of Arrangement between Emkay Taps and Cutting Tools Limited (“ETCTL” or “the Demerged Company”) into Emkay Tools Limited (“ETL” or “the Resulting Company”)

I refer to my engagement letter dated 12th June 2023, whereby CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets (hereinafter referred to as “the Valuer” or “I”) has been requested by the management of Emkay Taps and Cutting Tools Limited [CIN: L29220MH1995PLC091091] (hereinafter referred to as “ETCTL” or “the Demerged Company”) and Emkay Tools Limited [CIN: U25939MH2023PLC401627] (hereinafter referred to as “ETL” or “the Resulting Company”) collectively referred to as “Companies” to issue a report containing recommendation of Share Entitlement Ratio for the proposed demerger of the Demerged Undertaking of ETCTL into ETL pursuant to a Draft Scheme of Arrangement (‘Scheme’) considering participant specific view taking into account the nature of the Scheme and beneficial percentage shareholding pattern of the Companies.

Page 1 of 9

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B/702, Jyoti Tower,
Kandivali Jyoti Park CHS Ltd,
Opp. Anand Ashram,
S.V. Road, Kandivali (West),
Mumbai – 400 067.

CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

ETCTL and ETL are individually referred to as "Company" and collectively referred to as "Companies".

I am a Registered Valuer as notified under section 247 of the Companies Act, 2013. I hereby state that I have carried out the valuation exercise in my capacity as an Independent Valuer. I further state that I am not related to the Companies or their promoters or their directors or their relatives. I have no interest or conflict of interest with respect to the valuation under consideration.

In the following paragraphs, I have summarized my understanding of the key facts; key information relied upon, basis of recommendation and limitations to my scope of work.

The report is structured as under:

1. Purpose of this Report
2. Background
3. Sources of Information
4. Basis of Recommendation
5. Share Entitlement Ratio
6. Exclusions and Scope Limitations

1. PURPOSE OF THIS REPORT

- 1.1 I understand that the management of the Companies are contemplating a Scheme of Arrangement ('Scheme') under Sections 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed there under for demerger of the Demerged Undertaking (as defined in the Scheme) of Emkay Taps and Cutting Tools Limited into Emkay Tools Limited in accordance with Section 2(19AA) of the Income-tax Act, 1961. The demerger is to take effect from the appointed date as defined in the Scheme.
- 1.2 In this regard, CA Harsh Chandrakant Ruparelia, Registered Valuer - Securities or Financial Assets has been appointed by the Companies for recommendation of Share Entitlement Ratio for the proposed demerger.

2. BACKGROUND

2.1 EMKAY TAPS AND CUTTING TOOLS LIMITED ("ETCTL")

- 2.1.1 ETCTL was incorporated on 27th July 1995 under the erstwhile provisions of the Companies Act, 1956. The registered office of ETCTL is currently situated at Plot No. B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur – 440 016.



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

2.1.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of ETCTL as on the date of this report is as under:

Particulars	Amount in Rs.
<u>Authorised Share Capital</u> 1,20,00,000 Equity Shares of Rs.10/- each	12,00,00,000
Total	12,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u> 1,06,71,300 Equity Shares of Rs.10/- each, fully paid-up	10,67,13,000
Total	10,67,13,000

2.1.3 The equity shareholding pattern of ETCTL as on the date of this report is as under:

Sr No.	Name of the Shareholder	No. of equity shares held	Shareholding (%)
1	Promoter & Promoter Group	80,02,800	74.99%
2	Public Shareholders	26,68,500	25.01%
	Total	1,06,71,300	100.00%

2.1.4 ETCTL is engaged in the business of manufacture of taps and cutting tools, production of power through windmill and treasury business. The equity shares of the ETCTL are listed on SME platform of National Stock Exchange (India) Ltd.

2.2 EMKAY TOOLS LIMITED ("ETL")

2.2.1 ETL was incorporated on 25th April 2023 under the provisions of the Companies Act, 2013. The registered office of ETL is currently situated at Plot No. B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur – 440 016.

2.2.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of ETL as on the date of this report is as under:

Particulars	Amount in Rs.
<u>Authorised Share Capital</u> 1,25,00,000 Equity Shares of Re.1/- each	1,25,00,000
Total	1,25,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u> 1,00,000 Equity Shares of Re.1/- each, fully paid-up	1,00,000
Total	1,00,000

2.2.3 ETL is a wholly owned subsidiary of ETCTL and has been incorporated with an object of engaging in the business of manufacture of taps and cutting tools.



2.3 PROPOSED SCHEME

The Proposed Scheme would help in achieving benefits as provided for in Rationale to the Draft Scheme.

3. SOURCES OF INFORMATION

3.1. For the purpose of the recommendation of Share Entitlement Ratio, I have relied upon the following sources of information provided by the management of the Companies:

- (a) Audited Financial Statements of ETCTL for the year ended 31st March 2023;
- (b) Latest shareholding pattern of the Companies, as duly certified;
- (c) Draft Scheme of the Arrangement;
- (d) Memorandum and Articles of Association of the Companies;
- (e) Other relevant details of the Companies such as its history, past and present activities, future plans and prospects, and other relevant information; and
- (f) Such other information and explanations as required and which have been provided by the management of the Companies.

Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by me in any detail, if not considered relevant for the defined scope. The Companies have been provided with the opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracy & omissions are avoided in the final report.

I have been informed that Fedex Securities Private Limited has been appointed by the Companies, to provide fairness opinion on the Share Entitlement Ratio for the purpose of the aforementioned Scheme. Further, I have had discussions with fairness opinion providers appointed by Companies on the basis of recommendation.

4. BASIS OF RECOMMENDATION

- 4.1. For the purpose of my opinion, I have relied upon the current beneficial shareholding of the Companies, the draft Scheme of Arrangement and other information as provided by the management of the Companies and their respective advisors and authorized representatives.
- 4.2. Based on the review of the information made available and my discussions with the management of the Companies, authorized representatives and advisors of the Companies, some of the important factors considered for recommendation of the Share Entitlement Ratio are as under:



- (a) ETCTL and ETL are unlisted private limited companies, which as on date are economically and beneficially directly held 100% by the same shareholders, as ETL is a wholly owned subsidiary of ETCTL;
- (b) As per the proposed Scheme of Arrangement, in consideration of transfer and vesting of Business Undertaking of ETCTL into ETL, the demerged business of ETCTL will now be directly held by the shareholders of ETCTL and therefore, the interest of the shareholders of ETCTL will not be prejudicially affected as the shareholders continue to beneficially hold the demerged business of ETCTL through holding in ETL;
- (c) Consequently, pre and post-demerger, the economic and beneficial control in the demerged business of ETCTL will continue to remain with the same shareholders in same proportion and the proposed demerger will be value-neutral to the current shareholders, hence fair valuation of the demerged undertaking of ETCTL and of ETL has no relevance for the present valuation exercise for the proposed Scheme of Arrangement. In light of this, it is not necessary to conduct a fair valuation exercise of the demerged undertaking of ETCTL vis-à-vis ETL;
- (d) Accordingly, there is no change envisaged in the beneficial ownership/control of the business of ETCTL proposed to be demerged under pre-demerger and post-demerger scenario;
- (e) The Scheme does not envisage dilution of the holding of the current shareholders of the Companies as a result of operation of the Scheme;
- (f) The Share Entitlement Ratio as may be decided as thought appropriate by the existing Board of Directors and Shareholders of the Companies and mutually agreed between the Parties may be fair and reasonable with respect to this Scheme; and
- (g) As represented by the management of the Companies, terms of the draft Scheme are part of commercial and business arrangement.

5. SHARE ENTITLEMENT RATIO

- 5.1. In the ultimate analysis, recommendation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 5.2. The basis of Share Entitlement Ratio under the draft Scheme of Arrangement would have to be determined after taking into consideration all the factors and approach mentioned hereinabove and considering participant specific view taking into account the nature of the Scheme and beneficial percentage shareholding pattern of the Companies. It is however important to note that in doing so, I am not attempting to arrive at the absolute value per share of the undertaking of ETCTL and ETL as both are and would beneficially be held and controlled by the same shareholders in same proportion, thereby the interest of the shareholders of ETCTL and ETL will effectively remain unchanged and shareholders interest would not be prejudicially affected. Hence, no relative valuation of the Companies is required to be undertaken to facilitate the determination of the Share Entitlement Ratio.
- 5.3. Accordingly, valuation approaches as indicated in the format as prescribed under Part I - Para (A)(4) of Annexure II of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June 2023, for the purpose of the current exercise, I have provided following weights to the valuation methodologies and other various factors relevant for recommendation of Share Entitlement Ratio:

Particulars	Demerged undertaking of ETCTL	Emkay Taps Limited
<i>Methods</i>	<i>Weights</i>	<i>Weights</i>
Asset Approach	NA	NA
Market Approach	NA	NA
Income Approach	NA	NA
Relative Value per share	NA	NA

NA = Not Adopted / Not Applicable (Please refer Basis of Recommendation and para 5.4)



- 5.4. As the beneficial ownership of business undertaking of ETCTL would be held by the same shareholders in same proportion, the following share entitlement ratio (assuming no change in the beneficial shareholding) as suggested by the management of the Companies would be fair and reasonable –

"1 (One) fully paid-up Equity Share of INR 1/- each of Resulting Company (ETL) for every 1 (One) fully paid-up equity shares of INR 10/- each held in the Demerged Company (ETCTL)"

6. EXCLUSIONS AND SCOPE LIMITATIONS

- 6.1. The report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 6.2. No investigation of the title of assets of the Companies has been made for the purpose of my recommendation and their claim to such rights has been assumed to be valid as represented by the management of the Companies. Therefore, no responsibility is assumed for matters of a legal nature.
- 6.3. The work does not constitute certification of the historical financial statements including the working results of the Companies referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 6.4. This report is issued on the understanding that the Companies have drawn my attention to all material information, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on my opinion, on the recommendation of the Share Entitlement Ratio of the Companies, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. I have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 6.5. This Report does not look into the business / commercial reasons behind the proposed transaction or address any potential synergies to the Companies and other parties connected thereto.
- 6.6. In the course of issuing this report, I was provided with both written and verbal information. I have evaluated the information provided to me by the management of the Companies through broad inquiry, analysis and review. I assume no responsibility for any errors in the above information furnished by the management of the Companies and consequential impact on the recommendation of the Share Entitlement Ratio. I do not express any opinion or offer any assurance regarding accuracy or completeness of any information made available to me.



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

- 6.7. The report is not, nor should it be construed as me opining or certifying any compliance with the provisions of any law, whether in India or any other country including companies, taxation and capital market related laws or as regards any legal implications or issues arising from any transaction proposed to be contemplated based on this Report.
- 6.8. The information contained herein and the report is confidential. Any person/party intending to provide finance/invest in the shares/businesses of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, can be done only with prior permission in writing. However, no such permission would be required in matters relating to giving effect of the Scheme once the same is approved by the Regional Director like quoting it in official communication, in notes to the financial statements etc.
- 6.9. This document has been prepared exclusively for the Board of Directors of the Companies for the purpose of recommending the Share Entitlement Ratio for the proposed Demerger and for submission to the regulatory authorities, court, tribunal and such other authorities, regulators, if required under the applicable provisions of the governing law in relation to the aforesaid Scheme of Arrangement. Further, the fees for this engagement is not contingent upon the recommendation considering the facts and purpose of recommendation.
- 6.10. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management / Board of Directors of the Companies and the work and my finding shall not constitute recommendation as to whether or not the Management / Board of Directors of the respective Companies should carry out the transaction.
- 6.11. By its very nature, my work cannot be regarded as an exact science, the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions / approach, opinions may differ due to application of the facts and assumptions / approach, formulas used and numerous other factors. There is, therefore, no indisputable single or standard methodology / approach for arriving at my recommendation. Although the conclusions are in my opinion reasonable, it is quite possible that others may not agree.
- 6.12. CA Harsh Chandrakant Ruparelia, nor its employees or agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the report is issued. All such parties expressly disclaim any and all liability for, or based



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

on or relating to any such information contained in the report. I am not liable to any third party in relation to issue of this report. In no event, I shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Companies referred herein or any person connected thereto.

If you require any clarifications on the above, I would be happy to clarify the same. I am thankful to your team for kind co-operation and support during this assignment.

Thanking you,
Yours faithfully,



CA HARSH CHANDRAKANT RUPARELIA

REGISTERED VALUER – Securities or Financial Assets

IBBI Registration No. IBBI/RV/05/2019/11106

Membership No. ICMAI RVO/S&FA/00054

ICAI Membership No. 160171

Date: 28th June 2023

UDIN: 23160171BGQOAZ3744



EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LTD.

Registered Office & factory Address: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)
CIN: L29220MH1995PLC091091 www.etctl.com

To,
Manager- Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

Series: SM
Symbol: EMKAYTOOLS

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (LODR), Regulations, 2015 for the proposed Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("Emkay Tools") (CIN:- L29220MH1995PLC091091) (hereinafter referred to as "the Demerged Company"); and Emkay Tools Limited (CIN:- U25939MH2023PLC401627) (hereinafter referred to as "the Resulting Company") and their respective Shareholders and Creditors under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules and regulations framed thereunder.

In the matter of the above Application, we hereby confirm that no material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with Stock Exchange i.e., the National Stock Exchange of India Limited (NSE) and period under consideration for valuation.

Thanking You,
Yours Faithfully,

FOR EMKAY TAPS AND CUTTING TOOLS LIMITED

S. Sohane

Shruti Sohane
Company Secretary & Compliance Officer
ICSI Membership No. A37324
Place : Nagpur
Date : July 10, 2023



Ajayprakash Kanoria

Ajayprakash Kanoria
Chairman, Managing Director & CEO
DIN: 00041279



SEBI REGN. NO. INM 000010163

Strictly Private & Confidential

Dated: June 29, 2023

To,

The Board of Directors

Emkay Taps and Cutting Tools Limited

Plot No. B-27 and B-27/1,
MIDC Hingna, Industrial Estate,
Nagpur – 440 016, Maharashtra

Dear Members of the Board:

Sub: Fairness opinion towards the proposed Scheme of Arrangement between Emkay Taps and Cutting Tools Limited and Emkay Tools Limited and their respective Shareholders

We refer to our letter of engagement dated June 12, 2023 (“LoE”) whereby Fedex Securities Private Limited (“Fedex”) is inter alia engaged to provide a fairness opinion (*defined herein*) on the Share Entitlement Ratio (*as defined in the Scheme*) recommended by the Valuer through report dated June 28, 2023 issued by C.A. Harsh Chandrakant Ruparelia, Registered Valuer bearing registration number IBBI/RV/05/2019/11106 (“**Valuer**”) for the proposed demerger of Manufacturing Business of Emkay Taps and Cutting Tools Limited into Emkay Tools Limited (“**Proposed Arrangement**”) as a part of a Scheme of Arrangement (*as defined herein*) under the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (“**Scheme**”).

Company Background and Purpose

Emkay Taps and Cutting Tools Limited (“**Demerged Company**” or “**ETCTL**”), bearing CIN – L29220MH1995PLC091091, is a listed public limited company having its registered office at Plot No. B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur – 440 016, Maharashtra. The equity shares of Demerged Company are listed on SME platform (“NSE EMERGE”) of the National Stock Exchange of India Limited (“NSE”).

The Demerged Company is engaged inter-alia in the business of manufacturing of threading taps and cutting tools, and also in generation of power through windmills. The Manufacturing Business (*as defined in the Scheme*) has different characteristics, risk, and rewards than the Remaining Business of the Demerged Company (*as defined in the Scheme*). Consequently, growth and expansion of the Manufacturing Business requires a differentiated strategy which is aligned to the market dynamics.

The Demerged Company along with its nominees holds 100% of the paid-up equity share capital of the Resulting Company.

Emkay Tools Limited (“**Resulting Company**” or “**ETL**”), bearing CIN – U25939MH2023PLC401627, is an unlisted public limited company having its registered office situated at Plot No B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur – 440 016, Maharashtra. The Resulting Company is incorporated with an object of engaging in the business of manufacturing of threading taps and cutting tools. As on the date of this report, the Resulting Company is a wholly-owned subsidiary of the Demerged Company.



For the purpose of the proposed scheme, the Demerged Company has appointed C.A. Harsh Chandrakant Ruparelia (“Valuer”) (IBBI Registration No. IBBI/RV/05/2019/11106) as an independent valuer, for the purposes of recommending the Share Entitlement Ratio for the Demerger.

You have asked for our opinion as to whether the Share Entitlement Ratio as recommended by C.A. Harsh Chadrakant Ruparelia under the Share Entitlement Ratio report is fair from a financial point of view. This opinion does not address any other aspects or implications related to the proposed Demerger or the Scheme or any other transactions. This opinion also does not address the relative merits of the Demerger as compared to alternative transactions or strategies that might be available to the Demerged Company, nor does it address the underlying business decision or economic rationale of the Demerged Company to proceed with the Demerger. This opinion should not be construed as an offer or invitation or a solicitation of any offer or invitation for the sale or purchase of any securities, assets, business or undertaking of any entity or company specified herein.

As per the Share Entitlement Ratio report dated June 28, 2023, the Valuers have recommended the following Share Entitlement Ratio for equity shareholders of Emkay Taps and Cutting Tools Limited as under:

1(one) fully paid up equity share of INR 1/- (Indian Rupees One) each of the Resulting Company for every 1(one) fully paid up equity share of INR 10/- (Indian Rupees Ten) each held in the Demerged Company.

The Scheme provides for issue and allotment of Equity Shares on a proportionate basis to each member of the Demerged Company or to their else, executors, administrators, other legal representatives or the successor entitled, as the case may be, whose name appear in the Register of Members as on the Record Date, as may be decided by the Board of Directors of Demerged Company, as per the share entitlement ratio. The equity shares allotted by the Resulting Company would be listed on NSE Emerge.

Upon the Scheme becoming effective and upon allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, the existing paid up equity share capital of the Resulting Company held by the Demerged Company as on Effective Date shall stand cancelled without any further act or deed immediately and without any consideration and accordingly, the paid up share capital of the Resulting Company shall stand reduced to the extent of face value of such equity shares cancelled.

All terms not specifically defined in this Fairness Opinion Report shall carry the same meaning as in the Proposed Scheme.

For avoidance of doubt, this Fairness Opinion is not to be construed as financial advice in relation to the sale of, or subscription for, any shares in the Demerged Company and/or the Resulting Company to any person.

Brief Background of the Proposed Scheme

Emkay Taps and Cutting Tools Limited is the holding company of Emkay Tools Limited i.e. Emkay Taps and Cutting Tools Limited holds 100% of the issued, subscribed and paid-up share capital of Emkay Tools Limited.

The management of the Demerged Company is desirous of transferring and vesting of the Manufacturing Business of the Demerged Company *inter alia* engaged in manufacturing of threading taps and cutting tools into the Resulting Company and consequently the Demerged Company would be left with the remaining business. It is therefore proposed to demerge the Manufacturing Business of the Demerged Company into the Resulting Company. The promoters would continue to hold the same percentage of shares in the Demerged Company, pre and post the demerger. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with and implementing this Scheme and matters incidental shall be borne in the manner as may be mutually agreed to between the Board of Directors or persons authorised by the Board of Directors of the Demerged Company and the Resulting Company.

Accordingly, the Board of Directors of the Demerged Company and the Resulting Company have formulated this Scheme for the transfer and vesting of all the assets of Manufacturing Business of the Demerged Company into the Resulting Company pursuant to the provisions of Sections 230-232 read with Section 66 and other relevant provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) with effect from the Appointed Date i.e. April 1, 2024.

Source of Information

For purposes of the opinion set forth herein, we have:

1. Share Entitlement Ratio report dated June 28, 2023;



2. Draft of the proposed Scheme;
3. Historical financial information for the year ended March 31, 2022 and March 31, 2023 of the Demerged Company
4. The asset and liability position the Resulting Company as on June 28,2023;
5. The statement of assets and liabilities of the Manufacturing Business and the Remaining Business of the Demerged Company as on March 31, 2023;
6. Management Representation Letter dated June 28, 2023;
7. Necessary clarifications, explanations and information from the Valuers;
8. Necessary explanations and information from the representatives of the Demerged Company; and
9. Other information as available in public domain.

Limitation of Scope and Review

We have assumed and relied upon, without independent verification, the accuracy, correctness and completeness of the information that was publicly available or supplied or otherwise made available to us by the Demerged Company and formed a substantial basis for this opinion. With respect to information relating to any strategic and operational benefits anticipated from the Demerger, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Demerged Company. We have been given to understand that all information required by us and that was relevant for the purposes of our exercise has been disclosed to us. The management of the Demerged Company have been provided an opportunity to review factual information in our draft opinion to make sure that factual errors are avoided in our final opinion.

In addition, we have assumed that the final version of the Scheme will not be materially different from the draft of the Scheme shared with us and the Demerger will be consummated in accordance with the terms set forth in the Scheme without any waiver, amendment or delay of any terms or conditions. Fedex Securities has assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Demerger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Demerger. We are not legal, tax, regulatory or actuarial advisors and have relied upon, without independent verification or due diligence, the assessment of the Demerged Company and its legal, tax, regulatory and actuarial advisors with respect to legal, tax, regulatory and actuarial matters. We have not undertaken an independent analysis of any potential or actual litigation, possible unasserted claims or regulatory action to which the Demerged Company or the Resulting Company may be subject or by which they may be affected. We express no opinion with respect to the fairness of the amount or nature of the compensation to any of the Demerged Company's officers, directors or employees or as to the economic rationale of the Demerger. We are expressing no opinion herein as to the price at which any securities of either the Demerged Company or the Resulting Company will trade at anytime. We have not undertaken any independent evaluation or appraisal of the assets or liabilities of the Demerged Company or the Resulting Company, nor have we been furnished with any such evaluations/ valuations or appraisals other than the Share Entitlement Ratio report, upon which we have relied without independent verification. We have not assumed any obligation to conduct any physical inspection of the assets, properties or facilities of the Demerged Company or the Resulting Company. Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date of this opinion. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion. Our opinion does not factor overall economic environment risk and other risks, and we have not assumed the risk of any material adverse change having an impact on the businesses of the Demerged Company or the Resulting Company in arriving at this opinion.

We have acted as merchant banker to the Board of Directors of the Demerged Company and provided fairness opinion to the Board of Directors of the Demerged Company in connection with this transaction and will receive a fee for our services. No portion of such fee is contingent on the conclusion contained in this opinion. The Demerged Company has agreed to indemnify us in connection with our engagement for this transaction. In the two years prior to the date hereof, we have not rendered any service to the Demerged Company or its affiliates and have accordingly not received fees in connection with such services. Fedex Securities may also seek to provide such or other services to the



Demerged Company and the Resulting Company and their affiliates in the future and expects to receive fees for the rendering of these services.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this Scheme for our own account or for the account of our customers and, accordingly, may at any time hold long or short position, finance positions, and may trade or otherwise structure and effect transactions, or any related derivative instrument and may vote at any general meeting as they deem fit. In addition, we and our affiliates may maintain relationships with the Demerged Company, the Resulting Company and their respective affiliates.

Distribution of this Fairness Opinion

This opinion is for the information of the Board of Directors of the Demerged Company only and may not be used for any other purpose without our prior written consent, except that a copy of this opinion may be in its entirety, (i) included in any filing the Demerged Company or the Resulting Company is required to make with the Securities and Exchange Board of India, the National Company Law Tribunal(s), NSE and other regulatory or statutory authorities in connection with the Demerger, if such inclusion is required by applicable law; (ii) disclosed on the website of Demerged Company in accordance with SEBI circular number SEBI/HO/CFD/DILI/CIR/P/202 1/0000000665 dated 23 November 2021; and (iii) made part of the explanatory statement to be circulated to the shareholders and creditors of the Demerged Company and the Resulting Company. We owe responsibility only to the Board of Directors of the Demerged Company that has appointed us and to no other person. We do not take any responsibility for the unauthorized use of this opinion. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person including any fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents. In addition, this opinion does not in any manner address the prices at which the Demerged Company Common Stock or Resulting Company Common Stock will trade following consummation of the Demerger or at any time and Fedex Securities expresses no opinion or recommendation as to how the shareholders or creditors of the Demerged Company or the Resulting Company should vote at the meetings to be held in connection with the Demerger. The final responsibility for the determination and approval of the Share Entitlement Ratio will be with the Board of Directors of the Demerged Company who should take into account all relevant factors including their own assessment of the Scheme and inputs of other advisors.

Conclusion

Based on and subject to the foregoing, we are of the opinion on the date hereof that the Share Entitlement Ratio as recommended by the Valuer, is fair and reasonable to the Equity Shareholders of the Demerged Company, from a financial point of view.

Yours truly,

For **Fedex Securities Private Limited**



Uday Nair

Director

DIN: 03431884

Place: Mumbai



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REPORT OF INDEPENDENT DIRECTORS OF EMKAY TAPS AND CUTTING TOOLS LIMITED ("THE COMPANY")

[As per para (A) (2) (i) of Part I of SEBI Master Circular dated June 20, 2023]

To the Board of Directors of Emkay Taps and Cutting Tools Limited,

We, the Committee of Independent Directors, have thoroughly examined the draft scheme presented to us and have taken into consideration various factors, including the provisions stated in para (A)(2)(i) of Part I of the SEBI Master Circular dated June 20, 2023. We are pleased to present our report and recommendations regarding the scheme, ensuring the protection of shareholders' interests as under:-

Report on Scheme of Demerger

1. BACKGROUND:-

- 1.1. A Meeting of the Independent Directors Committee of Emkay Taps and Cutting Tools Limited was held on June 29, 2023 to consider and if thought fit, to recommend the draft Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("the Demerged Company") and Emkay Tools Limited ("the Resulting Company") and their respective Shareholders ("the Scheme"), pursuant to provisions of section 230 to 232 read with Section 66 and any other applicable provisions, if any, of the Companies Act, 2013 and rules and regulations made thereunder.
- 1.2. The Equity Shares of the Company are listed on SME Platform of National Stock Exchange of India Limited ("NSE EMERGE") (herein after referred to as "designated Stock Exchange"). The Company shall file the draft Scheme of Demerger along with necessary information / disclosure and compliance documents with the designated Stock Exchange for their approval under regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.3. The Scheme is subject to the approval of the Board of Directors, Shareholders and Creditors of the Companies, if applicable; and also subject to sanction of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT); and subject to such other approvals, permissions, and sanctions of Regulatory and any other Authorities, as may be necessary.
- 1.4. This Report of the Independent Directors of the Company is prepared and submitted in order to comply with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the SEBI Master





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Circular No.: - SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (Including any statutory, modification or re-enactment or amendment thereof for the time being in force).

- 1.5. The following documents were placed before the Independent Directors of the Company during their meeting:-
- Draft of Scheme of Demerger ('the Scheme')
 - Pre-arrangement shareholding pattern of the Resulting Company and pre and post arrangement shareholding pattern of the Demerged Company;
 - Report on recommendation of share entitlement ratio dated June 28, 2023, issued by CA Harsh Chandrakant Ruparelia, an Independent Registered Valuer – Securities or Financial Assets (IBBI Registration No. IBBI/RV/05/2019/11106);
 - Fairness Opinion Report dated June 29, 2023 issued by M/s. Fedex Securities Private Limited, an Independent SEBI Registered Merchant Banker (SRN: INM 000010163);
 - Compliance Certificate issued by Statutory Auditors of the Company M/s. P.S. Thakare & Co., that the accounting treatment clause contained in the draft Scheme is in accordance with applicable the Accounting Standards (AS) specified by the Central Government under Section 133 of the Companies Act, 2013 read with the Rules framed thereunder; and
 - Last 3 years audited financial statements of the Demerged Company and the latest unaudited financial statements of the Resulting Company from the date of incorporation;
 - Report from the Audit Committee recommending the draft scheme.

2. NEED FOR THE DEMERGER

- 2.1. The Demerged Company is engaged in 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 and cutting tools. In addition to the above, the Demerged Company is also engaged in investments and in the business of production of power through windmills.
- 2.2. The Manufacturing Business has different characteristics, risk and rewards than the remaining business of the Demerged Company. Consequently, growth and expansion of the Manufacturing Business requires a differentiated strategy which is aligned to the market dynamics. This will help enhance shareholder value. Further, the growth of the Manufacturing Business will require focused investments in research and development.





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Given this it is considered desirable to demerge the Manufacturing Business of the Demerged Company to the Resulting Company in the manner and on the terms and conditions stated in the Scheme.

3. RATIONALE OF THE SCHEME

- 3.1. The demerger will inter alia have the following benefits to the companies and the shareholders:
 - 3.1.1. Segregation of the businesses will unlock the true potential of each business vertical, which will allow more focused strategy, management bandwidth and attention to execute each business segment's respective vision.
 - 3.1.2. Strengthening customer service, distribution network and overall economies of scale for all the business verticals.
 - 3.1.3. Provide higher degree of flexibility to evaluate independent business opportunities.
 - 3.1.4. Enhance the financial performance to enable use of assets from its primary mode of business and generate revenues which in turn be strengthening the company's overall financial health over a period of time.
 - 3.1.5. Effective and streamlined decision making will enable improved business risk management that can help take advantage of risks that are worth taking against potential benefits and prevent unacceptable risks being taken.
 - 3.1.6. Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on National stock exchange of India Ltd. NSE EMERGE SME platform and will unlock the true value of the Demerged Undertaking for the shareholders of the Demerged Company. Further the existing shareholders of the Demerged Company would hold the shares of two listed entities after the Scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.

4. SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME

The committee noted that the scheme does not involve merger of business of the company but provides for demerger of the Manufacturing Business of the company. The said demerger would entail the benefits specified in para 3 above.





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5. SALIENT FEATURES OF THE SCHEME:-

- 5.1. The Demerged Undertaking of the Demerged Company shall pursuant Section 230 to 232 of the Act and other relevant provision of the Act and the order of the NCLT sanctioning the Scheme, without any further act, instrument or deed, be transferred to and vested in or deemed to be transferred to and vested in the Resulting Company from the Appointed Date (April 1, 2024), on a going concern basis, in accordance with Section 2(19AA) of the Income-tax Act, 1961, so as to vest in the Resulting Company all the rights, title and interest of Demerged Undertaking therein, subject to the subsisting charges and pledges, if any.
- 5.2. Assets and liabilities (including Immovable Properties, Intellectual Properties Rights and Intangible Assets) of the Demerged Company relating to Demerged Undertaking, upon the coming into effect of this Scheme and with effect from the Appointed Date, under the provisions of Sections 230 to 232 of the Act, without any further act or deed or instrument or conveyance for the same shall deemed to be transferred to the Resulting Company and shall become the assets and properties of the Resulting Company.
- 5.3. In consideration of the demerger of the Demerged Undertaking from the Demerged Company and vesting of the Demerged Undertaking into the Resulting Company in accordance with this Scheme, the Resulting Company, without any further act or deed and without receipt of any cash, shall issue and allot to the shareholders of the Demerged Company as on the Record Date (as may be decided and fixed by the Board of Director of Demerged Company), 1 (One) fully paid up equity share of face value of INR 1 (Rupee One only) each of Resulting Company for every 1 (One) fully paid up equity shares of face value of INR 10 (Rupees Ten only) each held in the Demerged Company ("Demerger Share Entitlement Ratio").
- 5.4. All staff and employees of the Demerged Company, in relation to Demerged Undertaking, as on the Effective Date shall be deemed to have become staff and employees of the Resulting Company without any break or Interruption in their services, on same terms and conditions of their employment with the Demerged Company. The Resulting Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past service with the Demerged Company, as the case may be, shall also be taken into account. The Resulting Company undertakes to continue to abide by the terms of agreement/settlement entered into by the Demerged Company with employees' union/employee or association as the case may be.

6. IMPACT OF THE SCHEME ON THE SHAREHOLDERS:-

- 6.1. The Independent Directors of the Company discussed the salient features, rationale and expected benefits of the Scheme. In the report, they have noted that the proposed Scheme is not detrimental to the interest of the shareholders on account of benefits as enumerated





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above and that the Scheme will enhance the value of the demerged entity and overall shareholder value.

- 6.2. The Independent Directors of the Company also discussed at length the impact of the issuance of the new equity shares of the Resultant Company to the shareholders of the Demerged Company, and after due deliberations, concluded that the issuance of the new equity shares in terms of the Scheme will have no significant impact on the shareholders of the Demerged Company.
- 6.3. The Shareholders of the Demerged Company, apart from retaining their Shareholding in Demerged Company, shall be allotted equal number of shares by the Resulting Company.

7. COST BENEFIT ANALYSIS: -

- 7.1. Although the scheme involves certain costs such as transaction cost, implementation cost, regulatory fees, stamp duties, etc. the scheme would entail the benefits specified in para 3 above.

8. RECOMMENDATION OF INDEPENDENT DIRECTORS OF THE COMPANY:-

- 8.1. Based on our detailed analysis and evaluation of all the foregoing included in this report and in the draft Scheme of Demerger, the Independent Directors of the Company unanimously recommends the draft scheme taking into consideration, inter alia, that the scheme is not detrimental to the shareholders of the company for respective favourable consideration and approval. The scheme has the potential to unlock value, create focused entities, and provide growth opportunities for the shareholders.

This Report is issued by the Chairman in terms of the Independent Directors authorisation in the Meeting.

FOR EMKAY TAPS AND CUTTING TOOLS LIMITED

Mahesh Mor
CHAIRPERSON OF INDEPENDENT DIRECTORS MEETING
DIN: 07151767



Date: June 29, 2023

Place: Nagpur



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**REPORT OF AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF
EMKAY TAPS AND CUTTING TOOLS LIMITED ("THE COMPANY")**

[As per Part I (A) (2) (c) of Part I of SEBI Master Circular dated June 20, 2023]

To the Board of Directors of Emkay Taps and Cutting Tools Limited,

We, the Audit Committee of Board of Directors, have thoroughly examined the draft scheme presented to us and have taken into consideration various factors, including the provisions stated in para (A)(2)(c) of Part I of the SEBI Master Circular dated June 20, 2023. We are pleased to present our report and recommendations regarding the scheme, ensuring the protection of shareholders' interests as under:

Report on Scheme of Demerger

1. BACKGROUND:-

- 1.1. A Meeting of the Audit Committee of the Board of Directors of Emkay Taps and Cutting Tools Limited was held on June 29, 2023 to consider and if thought fit, to recommend the draft Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("the Demerged Company") and Emkay Tools Limited ("the Resulting Company") and their respective Shareholders ("Scheme of Demerger"), pursuant to provisions of section 230 to 232 read with Section 66 and any other applicable provisions, if any, of the Companies Act, 2013 and rules and regulations made thereunder.
- 1.2. The Equity Shares of the Company are listed on National Stock Exchange of India Limited ("NSE EMERGE") SME platform (hereinafter referred to as "designated Stock Exchange"). The Company shall file the draft Scheme of Demerger along with necessary information / disclosure and compliance documents with the designated Stock Exchange for their approval under regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.3. The Scheme of Demerger is subject to the approval of the Board of Directors, Shareholders and Creditors of the Companies, if applicable; and also subject to sanction of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT); and subject to such other approvals, permissions, and sanctions of Regulatory and any other Authorities, as may be necessary.
- 1.4. This Report of the Audit Committee is prepared and submitted in order to comply with the requirements of the Securities and Exchange Board of India (Listing Obligations and





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Disclosure Requirements) Regulations, 2015; and the SEBI Master Circular No.: - SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (Including any statutory, modification or re-enactment or amendment thereof for the time being in force).

- 1.5. The following documents were placed before the Audit Committee of the Board of Directors of the Company during their meeting: -
- Draft of Scheme of Arrangement ("Scheme of Demerger");
 - Pre-arrangement shareholding pattern of the Resulting Company and pre and post arrangement shareholding pattern of the Demerged Company;
 - Report on recommendation of share entitlement ratio dated June 28, 2023, issued by CA Harsh Chandrakant Ruparelia, an Independent Registered Valuer – Securities or Financial Assets (IBBI Registration No. IBBI/RV/05/2019/11106);
 - Fairness Opinion Report dated June 29, 2023 issued by M/s. Fedex Securities Private Limited, an Independent SEBI Registered Merchant Banker (SRN: INM 000010163);
 - Compliance Certificate issued by Statutory Auditors of the Company M/s. P.S. Thakare & Co., that the accounting treatment clause contained in the draft Scheme is in accordance with applicable the Accounting Standards (AS) specified by the Central Government under Section 133 of the Companies Act, 2013 read with the Rules framed thereunder; and
 - Last 3 years audited financial statements of the Demerged Company and the latest unaudited financial statements of the Resulting Company from the date of incorporation;

2. NEED FOR THE DEMERGER

- 2.1. The Demerged Company is engaged in 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 and cutting tools. In addition to the above, the Demerged Company is also engaged in investments and in the business of production of power through windmills located in Rajasthan and Karnataka.
- 2.2. The Manufacturing Business has different characteristics, risk and rewards than the remaining business of the Demerged Company. Consequently, growth and expansion of the Manufacturing Business requires a differentiated strategy which is aligned to the market





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dynamics. This will help enhance shareholder value. Further, the growth of the Manufacturing Business will require focused investments in research and development.

Given this it is considered desirable to demerge the Manufacturing Business of the Demerged Company to the Resulting Company in the manner and on the terms and conditions stated in the Scheme.

3. RATIONALE OF THE SCHEME

3.1. The demerger will inter alia have the following benefits to the companies and the shareholders:

3.1.1. Segregation of the businesses will unlock the true potential of each business vertical, which will allow more focused strategy, management bandwidth and attention to execute each business segment's respective vision.

3.1.2. Strengthening customer service, distribution network and overall economies of scale for all the business verticals.

3.1.3. Provide higher degree of flexibility to evaluate independent business opportunities.

3.1.4. Enhance the financial performance to enable use of assets from its primary mode of business and generate revenues which in turn be strengthening the company's overall financial health over a period of time.

3.1.5. Effective and streamlined decision making will enable improved business risk management that can help take advantage of risks that are worth taking against potential benefits and prevent unacceptable risks being taken.

3.1.6. Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on National stock exchange of India Ltd. NSE EMERGE SME platform and will unlock the true value of the Demerged Undertaking for the shareholders of the Demerged Company. Further the existing shareholders of the Demerged Company would hold the shares of two listed entities after the Scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.

4. SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME

The committee noted that the scheme does not involve merger of business of the company but provides for demerger of the Manufacturing Business of the company. The said demerger would entail the benefits specified in para 3 above.





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5. SALIENT FEATURES OF THE SCHEME: -

- 5.1. The Scheme is presented under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, and also read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961.
- 5.2. The Company shall, as may be required, make petition under Section 230 to 232 read with Section 66 and other provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modifications or re-enactment or amendment thereof) to Mumbai Bench of the National Company Law Tribunal for sanction of the Scheme of Demerger and all matters ancillary and incidental thereto.
- 5.3. Appointed Date means April 1, 2024, or such other date as may be approved by the Hon'ble National Company Law Tribunal, Mumbai Bench.
- 5.4. Effective Date means the last of the dates on which all the conditions and matters referred to in Clause 18 of this Scheme of demerger occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to "coming effect of this Scheme of Demerger" or "effectiveness of this Scheme of Demerger" or "Scheme of Demerger becoming effective" shall mean the Effective Date.
- 5.5. Upon coming into effect of this Scheme of Demerger and with effect from the Appointed Date and subject to the provisions of this Scheme:
 - 5.5.1. The Demerged Undertaking of the Demerged Company shall pursuant Section 230 to 232 of the Act and other relevant provision of the Act and the order of the NCLT sanctioning the Scheme, without any further act, instrument or deed, be transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, on a going concern basis, in accordance with Section 2(19AA) of the Income-tax Act, 1961, so as to vest in the Resulting Company all the rights, title and interest of Demerged Undertaking therein, subject to the subsisting charges and pledges, if any.
 - 5.5.2. Assets and properties of the Demerged Company relating to Demerged Undertaking, upon the coming into effect of this Scheme and with effect from the Appointed Date, under the provisions of Sections 230 to 232 of the Act, without any further act or deed or instrument or conveyance for the same shall deemed to be transferred to the Resulting Company and shall become the assets and properties of the Resulting Company. The order of the NCLT shall for all purposes be treated as the instrument conveying such properties and assets to the Resulting Company.



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- 5.5.3. In respect of assets such as Intellectual Property Rights intellectual property rights, intangible assets, actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities, bodies and customers, relating to the Demerged Undertaking, the Demerged Company shall if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and appropriate stating that pursuant to the NCLT or such other competent authority having sanctioned this Scheme under Section 232 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Demerged Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company.
- 5.5.4. All immovable properties, if any, (including land, building and any other immovable property) of Demerged Undertaking of the Demerged Company whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall automatically stand vested in the Resulting Company without the requirement of execution of any further documents for registering the name of the Resulting Company as the owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar, Municipality, Collector, Mamlatdar, etc. may rely on the Scheme along with the order passed by NCLT, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Resulting Company as the owner of the immovable properties. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.
- 5.5.5. If any asset relating to Demerged Undertaking (including but not limited to any estate, rights, title, interest in or authorities relating to such asset) which the Demerged Company owns, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall, (i) hold such asset in trust for the sole benefit of the Resulting Company till the same is transferred and shall hold and deal with the same in accordance with the reasonable instructions as may be given by the Resulting Company in that regard; and (ii) make reasonable efforts to transfer such asset to the Resulting Company (along with any benefits attached thereto) within the earliest possible period pursuant to the Scheme becoming effective.



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5.5.6. All Intellectual Property Rights, patents, patent rights applications, trademarks, trade names, knowhow, content, software, manuals, copyrights and other industrial properties and rights of any nature whatsoever and licenses assignments, grants in respect thereof, privileges, liberties, easements, contract advantages, benefits, goodwill, quota rights, permits, approvals, authorizations, right to use and avail of telephones, telexes, facsimile and other communication facilities, connections, equipment and installations, utilities, electricity and electronic devices and all other services of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements including but not limited to indemnities/ guarantees given by the Demerged Company in relation to Demerged Undertaking, deposits, advances, recoverable and receivables whether from government, semi-government, local authorities or any other customs etc., benefits of any agreement to sell of immovable properties sold or purchased by the Demerged Company in relation to Demerged Undertaking, and all other rights, interests, claims and powers of every kind, nature and description of and arising to them, benefits of all agreements, subsidies, grants, tax credits including but not limited to benefits of tax relief including under the Income Tax Act, 1961 such as credit for advance tax, minimum alternate tax ('MAT'), taxes deducted at source, taxes collected at source, MAT credit under Section 115JAA of Income Tax Act, 1961 etc., benefits under the sales tax laws of the respective states, sales tax set off, benefits of any unutilised MODVAT/CENVAT/Service tax credits, unutilised input tax credit of Central Goods and Services Tax ('CGST'), Integrated Goods and Services Tax ('IGST'), State Goods and Services Tax ('SGST'), Goods and Services Tax Compensation Cess ('GST Compensation Cess') etc., the unabsorbed business brought forward losses and unabsorbed depreciation as per the books of accounts and the tax losses and unabsorbed depreciation under the provisions of Income Tax Act, 1961), cash and bank balances, all earnest monies and/ or deposits including security deposits paid by them, the entire business and benefits and advantages of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by, the Demerged Company and relatable to Demerged Undertaking, stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in the Resulting Company pursuant to the provisions of Section 232 of the Act so as to become as and from the Appointed Date, the estate, assets, right, title and interests of the Resulting Company.

5.5.7. Any statutory licenses, permissions or approvals or consents held by the Demerged Company required to carry on operations of Demerged Undertaking shall stand transferred to and vested in the Resulting Company by virtue of order of NCLT sanctioning the Scheme, and without any further act or deed shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting



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Company. The benefit of all statutory and regulatory permissions, approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company pursuant to the Scheme.

- 5.5.8. Various incentives, subsidies, special status and other benefits or privileges enjoyed (including minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and services tax and other incentives, including any profit linked incentives), granted by any Government body, local authority or by any other person and availed of by the Demerged Undertaking of the Demerged Company, the same shall vest with and be available to the Resulting Company on the same terms and conditions as presently available to the Demerged Company.
- 5.5.9. All income, expenses, debts, liabilities, whether known or unknown including, without limitation, all secured and unsecured debts, sundry creditors, contingent liabilities, duties, obligations and undertakings of the Demerged Company, in relation to Demerged Undertaking, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the NCLT, as the case may be, and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to, and vested in, or be deemed to have been transferred to and vested in the Resulting Company and shall be assumed by the Resulting Company to the extent they are outstanding as on the Effective Date so as to become, as on and from the Appointed Date, the income, expenses, liabilities, debts, sundry creditors, contingent liabilities, duties and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company, and the Resulting Company shall meet, discharge and satisfy the liabilities and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.
- 5.5.10. The debts, advances, liabilities and obligations pertaining to Demerged Undertaking of the Demerged Company, along with the balance in profit and loss account pertaining to the Demerged Undertaking of the Demerged Company (which shall be computed as difference between the book value of assets and book value of liabilities transferred to the Resulting Company under this Scheme, as reduced by the face value of shares issued by the Resulting Company), shall, under the provisions of Sections 230 to 232 of the Act, without any further act or deed shall stand transferred to or be deemed to be transferred to the Resulting Company and shall become the debts, advances, liabilities and obligations of the Resulting Company which it undertakes to meet, discharge and satisfy and it shall not be necessary to obtain the consent of any third party or other



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person who is a party to any contract or arrangement by virtue of which such debts, advances, liabilities and obligations have arisen in order to give effect to the provisions of this clause.

- 5.5.11. In so far as the assets comprised in Demerged Undertaking of the Demerged Company are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings not relating to Demerged Undertaking shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to the liabilities, which are not related to Demerged Undertaking of the Demerged Company. The Demerged Company may apply to the authorities for release of such assets and for modification of charges and encumbrances created on such assets, if required.
- 5.5.12. The borrowing limits of the Resulting Company in terms of Section 180(1)(c) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of the Demerged Company (in relation to demerged undertaking) which are being transferred to the Resulting Company pursuant to the Scheme, such limits being incremental to the existing limits of the respective Resulting Company, with effect from the Appointed Date. The approval of this Scheme by the members of Resulting Company shall be deemed to be an approval under section 180(1)(c) of the Act, and the Resulting Company shall not be required to obtain a separate approval in respect of the same from the members.
- 5.5.13. All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Demerged Company (in relation to demerged undertaking) after the Effective Date shall be accepted by the bankers of Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company or received through electronic transfers. Similarly, the banker of Resulting Company shall honour all cheques / electronic fund transfer instructions issued by Resulting Company (in relation to demerged undertaking) for payment after the Effective Date. If required, the bankers of the Demerged Company and Resulting Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/ made in the name of Resulting Company.
- 5.5.14. Benefits of any and all corporate approvals as may have been taken by the Demerged Company in connection with the Demerged undertakings, including approvals under Sections 180, 186 and 188 of the 2013 Act shall not require separate approval to the



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Resulting Company and the said corporate approvals and compliances shall be deemed to have been taken/ complied with by the Resulting Company.

- 5.5.15. All taxes (including income tax, sales tax, excise duty, service tax, VAT, CGST, IGST, SGST, GST Compensation Cess, custom duty, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, CGST, IGST, SGST, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, the Demerged Company in respect of the profits from activities of Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.
- 5.5.16. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between or amongst the Demerged Company and the Resulting Company, in so far as it relates to the Demerged Undertaking, shall be considered as intra-party transactions for all purposes.
- 5.6. **Consideration**
- 5.6.1. Upon this Scheme becoming effective and in consideration of the demerger of the Demerged Undertaking from the Demerged Company and vesting of the Demerged Undertaking into the Resulting Company in accordance with this Scheme, the Resulting Company, without any further act or deed and without receipt of any cash, shall issue and allot to the shareholders of the Demerged Company as on the Record Date (as may be decided and fixed by the Board of Director of Demerged Company), 1 (One) fully paid up equity share of face value of INR 1 (Rupee One only) each of Resulting Company for every 1 (One) fully paid up equity shares of face value of INR 10 (Rupees Ten only) each held in the Demerged Company ("Demerger Share Entitlement Ratio").
- 5.6.2. The New Equity Shares to be issued and allotted by the Resulting Company to the shareholders of the Demerged Company shall be subject to the Scheme of Demerger, the Memorandum and Articles of Association of the Resulting Company and the applicable laws for the time being in force and shall rank pari passu in all respects including voting rights and dividends with the then existing equity shares of the Resulting Company and the Resulting Company shall not be required to seek separate consent/ approval of its shareholders for the same.



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- 5.6.3. The New Equity Shares issued above shall be in dematerialized form and shall be issued into the respective account(s) in which the Demerged Company shares are held or such other account as may be intimated by the shareholders to the Demerged Company and / or to its Registrar and Transfer Agent.
- 5.6.4. The issue and allotment of New Equity Shares to the shareholders of the Demerged Company in the Resulting Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under the Act.
- 5.6.5. In the event of any restructuring of the equity share capital by the Demerged Company or the Resulting Company, including by way of share split / consolidation / issue of bonus shares or other similar action in relation to share capital of the Demerged Company or the Resulting Company, at any time before the Record Date, the Demerger Share Entitlement Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate action.
- 5.6.6. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.
- 5.6.7. The issue and allotment of New Equity Shares as provided in Clause 2.6.1, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, as the case may be, pursuant to the aforesaid Clause 2.6.1. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be in due compliance of the provisions of Sections 42 and 62 of the Act and other laws, rules and regulations, as may be applicable.
- 5.6.8. The Resulting Company has Authorised capital of Rs. 1,25, 00,000/- (Rupees One Crore Twenty Five lakh only) divided into 1,25,00,000 equity shares of INR 1/- (Rupee One only) each and is sufficient to issue and allot the new shares to the shareholders of Demerged Company in accordance with the Demerger share Entitlement Ratio, as prescribed in the Valuation Report by the Registered Valuer to that effect.



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- 5.6.9. The Board of Directors of the Resulting Company, to the extent required, if any, shall apply and obtain any approvals from concerned Government/Regulatory authorities and undertake necessary compliance for the issue and allotment of New Equity Shares to the members of the Demerged Company pursuant to Clause 2.6.1 of the Scheme.
- 5.6.10. In accordance with clause 2.6.1 above and in terms of Rule 19(7) of the Securities Contract (Regulation) Rules, 1957 and other applicable rules and regulations, the equity shares to be issued by the Resulting Company to the members of the Demerged Company shall be listed and admitted for trading on the designated Stock Exchange of the Demerged Company as on the Effective Date.
- 5.6.11. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings, as may be necessary in accordance with the applicable laws or regulations, for the Resulting Company for complying with the formalities / requirements of the said Stock Exchanges. The equity shares of the Resulting Company allotted pursuant to the Scheme of Demerger shall remain frozen in the depositories system till listing and trading approval is granted by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in Resulting Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges. The Resulting Company shall not issue/ reissue any other shares under this Scheme, except as expressly stated herein below.
- 5.6.12. The Resulting Company, to the extent required, if any, shall apply and obtain any approvals from or intimate the concerned regulatory authorities, including the Reserve Bank of India, for the issue and allotment of equity shares by the Resulting Company to the non-resident/foreign citizen equity shareholders of the Demerged Company. The Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable the Resulting Company to issue and allot equity shares to the non-resident/ foreign citizen equity shareholders of the Demerged Company.
- 5.6.13. The holders of shares of the Demerged Company and the Resulting Company shall, save as otherwise provided under this Scheme of Demerger, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividend from the respective companies of which they are shareholders till the Effective Date.
- 5.7. **Cancellation of shares of the Resulting Company**
- 5.7.1. The Resulting Company is a wholly owned subsidiary of the Demerged Company. Accordingly, the existing fully paid equity shares held by the Demerged Company (directly



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and through its nominees) in the Resulting Company shall stand automatically cancelled without any further application, act, instrument or deed, simultaneously, with the issuance of the New Equity Shares under the provisions of this Scheme of Demerger.

- 5.7.2. The cancellation of the equity share capital held by the Demerged Company and its nominees in Resulting Company, shall be effected as an integral part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act, 2013 ("the Act") and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Resulting Company to this Scheme of Demerger shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliances would be separately required.
- 5.7.3. The reduction would not involve either a diminution of liability in respect of unpaid share capital, or payment of paid-up share capital to the shareholders and the provisions of Section 66 of the Act will not be applicable.
- 5.7.4. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name and the Resulting Company shall carry on its old name.

5.8. Accounting Treatment

5.8.1. Accounting treatment in the books of the Demerged Company

Notwithstanding anything contained in any other clauses of the Scheme, the accounting treatment for the purpose of this Scheme, in the books/financial statements of the Demerged Company shall be in accordance with the Accounting Standards (AS) notified under section 133 of Companies Act, 2013 as amended from time to time in accordance with the requirements of applicable AS.

- i. Upon the Scheme becoming effective, the Demerged Company shall reduce the carrying value of assets and liabilities pertaining to the Demerged Undertaking to be transferred and vested in the Resulting Company.
- ii. The value of investments appearing in the books of the Demerged Company, representing equity shares held in Resulting Company shall be cancelled and derecognized. Furthermore, the inter-company balances in form of loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting



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Company, pertaining to the Demerged Undertaking, will stand cancelled, and there shall be no further obligation / outstanding in that behalf.

- iii. The difference between the carrying values of assets transferred and vested over, and the carrying value of liabilities vested (i.e., net carrying value of assets transferred and vested), after adjusting for cancellation of inter-company balances and cancellation of shares held in the Resulting Company, shall be adjusted with reserves of the Demerged Company, as per applicable AS.

5.8.2. Accounting treatment in the books of the Resulting Company

Notwithstanding anything contained in any other clauses of the Scheme, the accounting treatment for the purpose of this Scheme, in the books/financial statements of the Resulting Company shall be in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act, 2013 as amended from time to time.

- i. The assets, and liabilities of the Demerged Undertaking transferred and vested in the respective Resulting Company shall be recorded at their carrying values as appearing in the books of the Demerged Company as at the opening of the business hours of the Appointed Date and in accordance with the requirements of the respective AS;
- ii. The inter-company balances in form of loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company, pertaining to the Demerged Undertaking, will stand cancelled, and there shall be no further obligation / outstanding in that behalf;
- iii. The Resulting Company shall credit its Share Capital Account in its books of accounts with the aggregate face value of the new shares issued to the shareholders of the Demerged Company pursuant to Clause 5 of this Scheme;
- iv. The identity of the balance in the profit and loss account transferred from the Demerged Company to the Resulting Company shall be preserved in the books of the Resulting Company, and shall be computed as difference between the book value of assets and book value of liabilities transferred to the Resulting Company under this Scheme, as reduced by the face value of shares issued by the Resulting Company;
- v. The face value of shares held by the Demerged Company in the Resulting Company shall be cancelled, and such face value, net of adjustment made in (v) above will be transferred to Capital Reserve.



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5.9. Employees

5.9.1. On the Scheme becoming effective, all staff and employees of the Demerged Company, in relation to Demerged Undertaking, as on the Effective Date shall be deemed to have become staff and employees of the Resulting Company without any break or interruption in their services, on same terms and conditions of their employment with the Demerged Company. The Resulting Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past service with the Demerged Company, as the case may be, shall also be taken into account. The Resulting Company undertakes to continue to abide by the terms of agreement/settlement entered into by the Demerged Company with employees' union/employee or association as the case may be.

5.9.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of the Demerged Company, in relation to Demerged Undertaking, or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company in relation to such Fund or Funds shall become those of the Resulting Company. It is clarified that the Resulting Company shall do all things necessary to apply and obtain registration of Gratuity trust as exempt and shall carry out such steps as may be necessary to register the employees of the Demerged Company, in relation to Demerged Undertaking, with the Employee's Provident Fund Organization or any other government provident fund organization, as per the provisions of applicable regulations and the same shall be binding on all employees. It is clarified that the services of the staff and employees of the Demerged Company, in relation to Demerged Undertaking, will be treated as having been continuous for the purpose of the said Fund or Funds.

5.10. Legal Proceeding

5.10.1. All legal proceedings of whatsoever nature, including all proceedings related to direct taxes, indirect taxes (which shall specifically cover proceedings under the Income-tax Act, 1961, Wealth Tax Act, 1957, Central Excise Act, 1944, Finance Act, 1994, Customs Act, 1962, Customs Tariff Act, 1975, Central Goods and Service Tax Act, 2017, Inter-State Goods and Service Tax Act, 2017, and applicable State Goods and Service Tax Act), whether pending or threatened, by or against the Demerged Company at the Appointed Date and or arising after the Appointed Date till the Effective Date, relating to Demerged Undertaking of the



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Registered Office & factory Address: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)
CIN: L29220MH1995PLC091091 www.etctl.com

Demerged Company, as and from the Effective Date, shall be continued and enforced by or against the Resulting Company in the manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.

- 5.10.2. After the Appointed Date till the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 2.10.1 above, it shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 5.10.3. After the Effective Date, if any proceedings are taken or continued against the Demerged Company in respect of Demerged Undertaking carried on by the Resulting Company, the Resulting Company shall defend the same at its own cost; and, in respect of Demerged Undertaking carried on by the Resulting Company after the Effective Date, the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities, costs and obligations incurred by the Demerged Company, if any, in respect thereof.
- 5.10.4. The Demerged Company shall in no event be responsible or liable in relation to any legal or other proceedings referred to in Clause 2.10.1 above that stand transferred to the Resulting Company. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 2.10.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company, after the Effective Date. In the event that the Demerged Company is required to be joined as a necessary party in any such proceedings, the Demerged Company shall be added as a necessary party to enable the Resulting Company to prosecute / defend such proceedings and the Resulting Company shall reimburse and indemnify the Demerged Company against all costs, liabilities and obligations incurred by the Demerged Company, if any, in respect thereof.
- 5.11. **Contracts, deeds, bond and other instrument: -**
- 5.11.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments, whether pertaining to immovable properties or otherwise of whatsoever nature relating to Demerged Undertaking and to which the Demerged Company are a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, the Resulting Company and may be enforced as fully and effectually as if, instead



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of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under.

- 5.11.2. Without prejudice to the transfer and vesting of Demerged Undertaking to and in the Resulting Company, the Resulting Company, may, at any time after this Scheme becomes effective, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations with or in favour of any party to any agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments relating to Demerged Undertaking. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.
- 5.11.3. For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licences, consents, registrations, approvals, municipal permissions, insurance policies, connections for water, electricity and drainage, sanctions, obligations/benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent), relating to Demerged Undertaking shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company as if the same were originally given or issued to or executed in favor of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.
- 5.11.4. It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to Demerged Undertaking, which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do till such time as the transfer is executed.
- 5.11.5. In pursuance of the Scheme, the Demerged Company and the Resulting Company shall agree to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents and enter into such arrangements as may be required for giving effect to this Scheme.



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- 5.11.6. All guarantees provided by the Demerged Company in respect of the Demerged Undertaking shall be valid and subsisting till adequate arrangements / guarantees have been provided in respect of the same by the Resulting Company
- 5.12. Treatment of losses
- 5.12.1. Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, Chapter VIII of Finance Act, 2016, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, Chapter V of Finance Act, 1994, The Integrated Goods and Services Tax Act, 2017, The Central Goods and Services Tax Act, 2017, Maharashtra Goods and Services Tax Act, 2017 and any other state Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017, Stamp Laws or other Applicable Laws/ regulations, as amended from time to time (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the Demerged Undertaking whether or not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to Resulting Company.
- 5.12.2. All taxes (including income tax, minimum alternate tax, tax on distributed profits (i.e. Dividend Distribution Tax), tax on distributed income (i.e. Buy-back Tax), equalisation levy, wealth tax, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, GST Compensation Cess, value added tax ('VAT'), etc.) paid or payable by the Demerged Company in respect of the Demerged Undertaking under any Tax Laws for the time being in force in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Resulting Company and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, GST Compensation Cess, VAT, etc.), whether by way of deduction at source, advance tax, or otherwise howsoever, by the demerged Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and, shall, in all proceedings, be dealt with accordingly.
- 5.12.3. Any refund under the tax laws due to the Demerged Company and pertaining to the Demerged Undertaking consequent to the assessments made on the Demerged Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be transferred by Demerged Company /to be received by the Resulting Company.
- 5.12.4. Further, any tax holiday/deduction/exemption/carry forward losses (including loss as per books of accounts) and unabsorbed depreciation (including unabsorbed depreciation as per books of accounts) entitled to / enjoyed/availed by the Demerged Company and



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pertaining to the Demerged Undertaking under the provisions of Income Tax Act, 1961 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company and be entitled to/enjoyed/availed/utilized by the Resulting Company on and from the Appointed Date in the same manner as would have been entitled to/enjoyed/availed/utilized by the Demerged Company before implementation of this Scheme.

- 5.12.5. Without prejudice to the generality of the above, all benefits including under the Income Tax Act, 1961, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, GST Compensation Cess, VAT, etc., pertaining to the Demerged Undertaking to which the Demerged Company is entitled to in terms of the applicable tax laws of the Union and State Governments, shall be available to and vest in the Resulting Company.

Upon this Scheme becoming effective, the Demerged Company and the Resulting Company are expressly permitted to revise or modify their financial statements and returns, along with prescribed forms, filings and annexures under the Income-tax Act, 1961 (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), goods and services tax laws and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, minimum alternative tax credit and foreign tax credit), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective.

- 5.13. The equity shares to be issued by the Resulting Company to the members of the Demerged Company the Scheme will be listed and/or admitted to trading in terms of Rule 19(7) of the Securities Contract (Regulation) Rules, 1957 and other applicable rules/regulations on all the Stock Exchanges on which shares of the Demerged Company are listed on the Effective Date.

6. IMPACT OF THE SCHEME ON THE SHAREHOLDERS: -

- 6.1. The Audit Committee of the Board of Directors of the Company discussed the salient features, rationale and expected benefits of the Scheme. In the report, they have noted that the proposed Scheme is not detrimental to the interest of the shareholders on account of benefits as enumerated above an





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- 6.2. that the Scheme will enhance the value of the demerged entity and overall shareholder value.
- 6.3. The Audit Committee of the Board of Directors of the Company also discussed at length the impact of the issuance of the new equity shares of the Resultant Company to the shareholders of the Demerged Company, and after due deliberations, concluded that the issuance of the new equity shares in terms of the Scheme will have no significant impact on the shareholders of the Demerged Company.
- 6.4. The Shareholders of the Demerged Company, apart from retaining their Shareholding in Demerged Company, shall be allotted equal number of Shares by the Resulting Company.

7. **COST BENEFIT ANALYSIS: -**

- 7.1. Although the scheme involves certain costs such as transaction cost, implementation cost, regulatory fees, stamp duties, etc. the scheme would entail the benefits specified in para 3 above.

8. **RECOMMENDATION OF AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE COMPANY:-**

- 8.1. After due deliberations and in consideration of all the foregoing included in this report and in the draft Scheme of Demerger, the Audit Committee of the Board of Directors of the Company unanimously recommends the draft scheme taking into consideration the Share Exchange Ratio, as prescribed in the Valuation report placed before the committee, for respective favourable consideration and approval. The scheme has the potential to unlock value, create focused entities, and provide growth opportunities for the shareholders.

This Report is issued by the Chairman of the Audit Committee of the Board of Directors of the Company.

FOR EMKAY TAPS AND CUTTING TOOLS LIMITED

Mahesh Mor
CHAIRPERSON OF AUDIT COMMITTEE
DIN: 07151767



Date: June 29, 2023

Place: Nagpur



EMKAY TOOLS

EMKAY TOOLS LTD.

(A Wholly-owned subsidiary of Emkay Taps And Cutting Tools Limited)

CIN: U25939MH2023PLC401627

Holding of Specified Securities

Pre-Scheme
(without PAN)

Annexure - I

1. Name of Listed Entity:	EMKAY TOOLS LIMITED		
2. Scrip Code/Name of Scrip/Class of Security	PROPOSED TO BE LISTED PURSUANT SCHEME OF ARRANGEMENT		
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/ Reg. 31(1)(b) / Reg.31(1)(c) :	Reg. 31(1)		
a. If under 31(1)(b) then indicate the report for Quarter ending	30-06-2023		
b. If under 31(1)(c) then indicate date of allotment/extinguishment	-		
4. Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-			
	Particulars	Yes*	No*
1	Whether the Entity has issued any partly paid up shares?	-	✓
2	Whether the Entity has issued any Convertible Securities ?	-	✓
3	Whether the Entity has issued any Warrants ?	-	✓
4	Whether the Entity has any shares against which depository receipts are issued?	-	✓
5	Whether the Entity has any shares in locked-in?	-	✓
6	Whether any shares held by promoters are pledge or otherwise encumbered?	-	✓
7	Whether company has equity shares with differential voting rights?	-	✓
8	Whether the entity has any significant beneficial owner?	✓	-
* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.			

For Emkay Tools Limited

S. Sohane.

Company Secretary

A 37324

•Registered Office & factory Address: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)

•Telephone Nos.91-9226071464 •E-mail: emkaytools@gmail.com

EMKAY TOOLS LIMITED

Table I - SUMMARY STATEMENT HOLDING OF SPECIFIED SECURITIES AS ON JUNE 30, 2023 - Pre-Scheme shareholding pattern

Category (I)	Category of shareholder (II)	No.s of Share holders (III)	No. of fully paid up equity Share held (IV)	No.s of Partly paid-up equity Share held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)= (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class Equity x	Class Others y								
(A)	Promoter & Promoter Group	1	99940	0	0	99940	99.94	99940	0	99940	99.9400	0	0.0000	0	0.0000	0	99940
(B)	Public	0	0	0	0	0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0
(C)	Non Promoter-Non Public	6	60	0	0	60	0.06	60	0	60	0.0600	0	0.0000	NA	NA	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.0000	0	0.0000	NA	NA	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0.0000	0	0.0000	NA	NA	0	0
	Total	7	100000	0	0	100000		100000	0	100000	100.0000	0	0.0000				100000

For Emkay Tools Limited

S. Sohane.

Company Secretary

A 37324

EMKAY TOOLS LIMITED

Table II - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE PROMOTER AND PROMOTER GROUP AS ON JUNE 30, 2023 - Pre-Scheme shareholding pattern

Category & Name of the shareholders (I)	Entity Type	No. of Share holders (III)	No. of fully paid up equity Shares held (IV)	Partly paid-up equity Share held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)= (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
								Class Equity	Class Others	Total								
1 Indian																		
(a) Individuals/Hindu undivided Family																		
Total		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(b) Central Government/State Government(s)																		
Total		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(c) Financial Institutions/Banks																		
Total		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(d) Any Other																		
(BODIES CORPORATE)																		
EMKAY TAPS AND CUTTING TOOLS LIMITED		1	99940	0	0	99940	99.9400	99940	0	99940	99.9400	0	99.9400	0	0.0000	0	0.0000	99940
Total		1	99940	0	0	99940	99.9400	99940	0	99940	99.9400	0	99.9400	0	0.0000	0	0.0000	99940
Sub-Total (A)1		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
2 Foreign																		
(a) Individuals(Non-Resident Individuals/Foreign Individuals)																		
Total		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(c) Institutions																		
Total		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
Sub-Total (A)2		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
Total Shareholding of Promoters		1	99940	0	0	99940	99.9400	99940	0	99940	99.9400	0	99.9400	0	0.0000	0	0.0000	99940

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

For Emkay Tools Limited

S. Sohane.

Company Secretary

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EMKAY TOOLS LIMITED

Table III - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE PUBLIC SHAREHOLDER AS ON JUNE 30, 2023 - Pre-Scheme shareholding pattern

Category & Name of the shareholders (I)	PAN (II)	No.s of Share holders (III)	No. of fully paid up equity Share held (IV)	Partly paid-up equity Share held (V)	No.s of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)				
								No of Voting Rights		Total as a % of Total Voting Rights			No. (A)	As a % of total shares held (B)	No. (Not applicable) (C)	As a % of total shares held (D)		Sub-category (i)	Sub-category (ii)	Subcategory (iii)		
								Class Equity (a)	Class Others (y)												Total	
1 Institutions (Domestic)																						
(a) Mutual Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(b) Venture Capital Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(c) Alternate Investment Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(d) Banks		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(e) Insurance Companies		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(f) Provident / Pension Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(g) Asset Reconstruction Companies		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(h) Sovereign Wealth Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(i) NBFCs registered with RBI		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(j) Other Financial Institutions		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
SUB TOTAL (B)(1)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
2 Institutions (Foreign)																						
(a) Foreign Direct Investment		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(b) Foreign Venture Capital Investors		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(c) Foreign Sovereign Wealth Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(d) Foreign Portfolio Investors Category I		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(e) Foreign Portfolio Investors Category II		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(f) OVERSEAS DEPOSITORIES (Holding DRs) (Balancing Figure)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
SUB TOTAL (B)(2)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
3 Central Government / State Government																						
(a) Central Government / President of India		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(b) State Government / Governor		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(c) Central/State Govt. shareholding by Cos or Bodies Corp		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
SUB TOTAL (B)(3)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
4 Non-institutions																						
(a) Associate Companies / Subsidiaries		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(b) Directors And their relatives (Non-Promoter)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(c) Key Managerial Personnel		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(d) Relatives of Promoters (Non-Promoter)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(e) Trusts (Non-Promoter)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(f) Investor Education and Protection Fund (IEPF)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(g) Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(h) INDIVIDUAL - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(i) NON RESIDENT INDIANS (NRIs)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(j) FOREIGN NATIONALS		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(k) Foreign Companies		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(l) BODIES CORPORATE		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(m) Any Other (CLEARING MEMBER)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
(m) Any Other (HINDU UNDIVIDED FAMILY)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
SUB TOTAL (B)(4)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0				

For Emkay Tools Limited

S. Sohan

Company Secretary

A. 37324

EMKAY TOOLS LIMITED

Table III - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE PUBLIC SHAREHOLDER AS ON JUNE 30, 2023 - Pre-Scheme shareholding pattern

Category & Name of the shareholders (I)	PAN (II)	No.s of Share holders (III)	No. of fully paid up equity Share held (IV)	Partly paid-up equity Share held (V)	No.s of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)= (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)		
								No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)	As a % of total shares held (b)		Shareholding (No. of shares) under		
								Class Equity	Class Others									Total	Sub-category (i)	Sub-category (ii)
								a	b	c			(a)	(b)	(a)	(b)				

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): 0

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Notes:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.
- (5) Sub-categorization of shares under column no. (XV) will be based on shareholding (no. of shares) under the following sub-categories:
 - (i) Shareholders who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
 - (ii) Shareholders who have entered into shareholder agreement with the listed entity.
 - (iii) Shareholders acting as persons in concert with promoters.

For Emkay Tools Limited
S. Sohane
 Company Secretary
 A 37324

EMKAY TOOLS LIMITED

Table IV - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE NON PROMOTER - NON PUBLIC SHAREHOLDER AS ON JUNE 30, 2023 - Pre-Scheme shareholding pattern

Category & Name of the shareholders (I)	No. of Share holders (III)	No. of fully paid up equity Share held (IV)	Partly paid-up equity Share held (V)	No.s of shares underlying Depository Receipts (VI)	Total no. shares held (VII)= (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)		
							No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable) (b)	
							Class Equity x	Class Others y	Total									
1 Custodian/DR Holder																		
10	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
2 Nominee Shareholder																		
i	Alka Kanoria	1	10	0	0	10	0.01	10	0	10	0.01	0	0.01	0	0	0	0	10
ii	Apoorvashree Kanoria	1	10	0	0	10	0.01	10	0	10	0.01	0	0.01	0	0	0	0	10
iii	Anandita Kanoria	1	10	0	0	10	0.01	10	0	10	0.01	0	0.01	0	0	0	0	10
iv	Vishnu Sontakke	1	10	0	0	10	0.01	10	0	10	0.01	0	0.01	0	0	0	0	10
v	Hemangi Joshi	1	10	0	0	10	0.01	10	0	10	0.01	0	0.01	0	0	0	0	10
vi	Satish Shesh	1	10	0	0	10	0.01	10	0	10	0.01	0	0.01	0	0	0	0	10
Total Non Promoter- Non Public Shareholding (C)=(C)(1)+(C)(2)		6	60	0	0	60	0.06	60	0	60	0.06	0	0.06	0	0	0	0	60

Note

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to disclose name of all holders holding more than 1% of total number of shares.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

For Emkay Tools Limited

S. Sohane

Company Secretary

A 37324

EMKAY TOOLS LIMITED

Table V - STATEMENT SHOWING DETAILS OF SIGNIFICANT BENEFICIAL OWNERS AS ON JUNE 30, 2023 - Pre-Scheme shareholding pattern											
Sr. No	Details of the significant beneficial owner (I)			Details of the registered owner (II)		Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect*: (III) Whether by virtue of:					Date of creation / acquisition of significant beneficial interest* (IV)
	Name	PAN/Passport No. in case of a foreign national	Nationality	Name	Nationality	Shares %	Voting rights %	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
1	EMKAY TAPS AND CUTTING TOOLS LIMITED	AAACE4308G	INDIAN	Alka Kanoria	INDIAN	0.01	0.01	0.01	yes	yes	25-04-2023
			INDIAN	Apoorvashree Kanoria	INDIAN	0.01	0.01	0.01	yes	yes	25-04-2023
			INDIAN	Anandita Kanoria	INDIAN	0.01	0.01	0.01	yes	yes	25-04-2023
			INDIAN	Vishnu Sontakke	INDIAN	0.01	0.01	0.01	yes	yes	25-04-2023
			INDIAN	Hemangi Joshi	INDIAN	0.01	0.01	0.01	yes	yes	25-04-2023
			INDIAN	Satish Shesh	INDIAN	0.01	0.01	0.01	yes	yes	25-04-2023

For Emkay Tools Limited

S. Sohane

Company Secretary

A 37324

EMKAY TOOLS LIMITED

Annexure - B

Table VI - Statement Showing Foreign Ownership Limit as on June 30, 2023 - Pre-Scheme

	Board* approved limits	Limits utilized
As on shareholding date	100%	0
As on the end of previous 1st quarter	100%	0
As on the end of previous 2nd quarter	100%	0
As on the end of previous 3rd quarter	100%	0
As on the end of previous 4th quarter	100%	0

**Automatic Route 100% allowed*

For Emkay Tools Limited

S. Sohane

Company Secretary
A 37324



EMKAY TOOLS

EMKAY TOOLS LTD.

(A Wholly-owned subsidiary of Emkay Taps And Cutting Tools Limited)

CIN: U25939MH2023PLC401627

Holding of Specified Securities

Post Scheme

(without PAN)

Annexure - I

1. Name of Listed Entity:	EMKAY TOOLS LIMITED		
2. Scrip Code/Name of Scrip/Class of Security	PROPOSED TO BE LISTED PURSUANT TO SCHEME OF ARRANGEMENT		
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/ Reg. 31(1)(b) / Reg.31(1)(c) : Reg. 31(1)			
a. If under 31(1)(b) then indicate the report for Quarter ending	30-06-2023		
b. If under 31(1)(c) then indicate date of allotment/extinguishment	-		
4. Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-			
	Particulars	Yes*	No*
1	Whether the Entity has issued any partly paid up shares?	-	✓
2	Whether the Entity has issued any Convertible Securities ?	-	✓
3	Whether the Entity has issued any Warrants ?	-	✓
4	Whether the Entity has any shares against which depository receipts are issued?	-	✓
5	Whether the Entity has any shares in locked-in?	-	✓
6	Whether any shares held by promoters are pledge or otherwise encumbered?	-	✓
7	Whether company has equity shares with differential voting rights?	-	✓
8	Whether the entity has any significant beneficial owner?	✓	-
* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.			

For Emkay Tools Limited

S. Sohane

Company Secretary

EMKAY TOOLS LIMITED

Table I - SUMMARY STATEMENT HOLDING OF SPECIFIED SECURITIES AS ON JUNE 30, 2023 - Post Scheme shareholding pattern

Category (I)	Category of shareholder (II)	No.s of Share holders (III)	No. of fully paid up equity Share held (IV)	No.s of Partly paid-up equity Share held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)= (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR,1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities(as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
								Class Equity x	Class Others y	Total								
(A)	Promoter & Promoter Group	6	8002800	0	0	8002800	74.9937	8002800	0	8002800	74.9937	0	74.9937	0	0.0000	0	0.0000	8002800
(B)	Public	166	2668500	0	0	2668500	25.0063	2668500	0	2668500	25.0063	0	25.0063	0	0.0000	0	0	2668500
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
	Total	172	10671300	0	0	10671300		10671300	0	10671300	100.0000	0	100.0000	0	0.0000			10671300

For Emkay Tools Limited
S. Sohane
 Company Secretary
 A 37324

EMKAY TOOLS LIMITED

Table II - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE PROMOTER AND PROMOTER GROUP AS ON JUNE 30, 2023 - Post Scheme shareholding pattern

Category & Name of the shareholders (I)	Entity Type	No. of Share holders (III)	No. of fully paid up equity Shares held (IV)	Partly paid-up equity Share held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)= (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
								Class Equity	Class Others	Total								
1 Indian																		
(a) Individuals/Hindu undivided Family																		
AJAYPRAKASH MURLIDHAR KANORIA HUF		1	4353960	0	0	4353960	40.8007	4353960	0	4353960	40.8007	0	40.8007	0	0.0000	0	0.0000	4353960
ALKA AJAYPRAKASH KANORIA		1	1124190	0	0	1124190	10.5347	1124190	0	1124190	10.5347	0	10.5347	0	0.0000	0	0.0000	1124190
AJAYPRAKASH MURLIDHAR KANORIA		1	628050	0	0	628050	5.8854	628050	0	628050	5.8854	0	5.8854	0	0.0000	0	0.0000	628050
APOORVASHREE KANORIA		1	1500	0	0	1500	0.0141	1500	0	1500	0.0141	0	0.0141	0	0.0000	0	0.0000	1500
Total		4	6107700	0	0	6107700	57.2348	6107700	0	6107700	57.2348	0	57.2348	0	0.0000	0	0.0000	6107700
(b) Central Government/State Government(s)																		
Total		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(c) Financial Institutions/Banks																		
Total		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(d) Any Other(BODIES CORPORATE)																		
NAGPUR TOOLS PRIVATE LIMITED		1	1893600	0	0	1893600	17.7448	1893600	0	1893600	17.7448	0	17.7448	0	0.0000	0	0.0000	1893600
ADISHREE ENGG PVT LTD		1	1500	0	0	1500	0.0141	1500	0	1500	0.0141	0	0.0141	0	0.0000	0	0.0000	1500
Total		2	1895100	0	0	1895100	17.7588	1895100	0	1895100	17.7588	0	17.7588	0	0.0000	0	0.0000	1895100
Sub-Total (A)1		6	8002800	0	0	8002800	74.9937	8002800	0	8002800	74.9937	0	74.9937	0	0.0000	0	0.0000	8002800
2 Foreign																		
(a) Individuals(Non-Resident Individuals/Foreign Individuals)																		
Total		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(c) Institutions																		
Total		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
Sub-Total (A)2		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
Total Shareholding of Promoters		6	8002800	0	0	8002800	74.9937	8002800	0	8002800	74.9937	0	74.9937	0	0.0000	0	0.0000	8002800

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

S. Sohane..
Company Secretary

EMKAY TOOLS LIMITED

Table III - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE PUBLIC SHAREHOLDER AS ON JUNE 30, 2023 - Post Scheme shareholding pattern																			
Category & Name of the shareholders (I)	No.s of Share holders (III)	No. of fully paid up equity Share held (IV)	Partly paid-up equity Share held (V)	No.s of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)= (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities(as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)		
							No of Voting Rights		Total as a % of Total Voting Rights			No. (ii)	As a % of total shares held (ii)	No. (Not applicable) (a)	As a % of total shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
							Class Equity x	Class Others y											
1 Institutions (Domestic)																			
(a) Mutual Funds	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(b) Venture Capital Funds	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(c) Alternate Investment Funds	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(d) Banks	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(e) Insurance Companies	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(f) Provident / Pension Funds	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(g) Asset Reconstruction Companies	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(h) Sovereign Wealth Funds	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(i) NBFCs registered with RBI	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(j) Other Financial Institutions	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
SUB TOTAL (B)(1)	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
2 Institutions (Foreign)																			
(a) Foreign Direct Investment	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(b) Foreign Venture Capital Investors	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(c) Foreign Sovereign Wealth Funds	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(d) Foreign Portfolio Investors Category I	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(e) Foreign Portfolio Investors Category II	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(f) OVERSEAS DEPOSITORIES (Holding DRs) (Balancing Figure)	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
SUB TOTAL (B)(2)	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
3 Central Government / State Government																			
(a) Central Government / President of India	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(b) State Government / Governor	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(c) Central/State Govt. shareholding by Cos or Bodies Corp	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
SUB TOTAL (B)(3)	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
4 Non-Institutions																			
(a) Associate Companies / Subsidiaries	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(b) Directors And their relatives (Non-Promoter)	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(c) Key Managerial Personnel	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(d) Relatives of Promoters (Non-Promoter)	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(e) Trusts (Non-Promoter)	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(f) Investor Education and Protection Fund (IEPF)	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(g) Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	139	360900	0	0	360900	3.3820	360900	0	360900	3.3820	0	3.3820	0	0.0000	NA	NA	360900		
(h) INDIVIDUAL - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	5	1102800	0	0	1102800	10.3343	1102800	0	1102800	10.3343	0	10.3343	0	0.0000	NA	NA	1102800		
BRAJKISHORE H AGRAWAL	1	180000	0	0	180000	1.6868	180000	0	180000	1.6868	0	1.6868	0	0.0000	0	0	180000		
NAGINADEVI BRAJKISHORE AGRAWAL	1	244800	0	0	244800	2.2940	244800	0	244800	2.2940	0	2.2940	0	0.0000	0	0	244800		
RAHIM MANSOOR KHAN	1	566400	0	0	566400	5.3077	566400	0	566400	5.3077	0	5.3077	0	0.0000	0	0	566400		
(I) NON RESIDENT INDIANS (NRIs)	3	7200	0	0	7200	0.0675	7200	0	7200	0.0675	0	0.0675	0	0.0000	NA	NA	7200		
(J) FOREIGN NATIONALS	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		
(K) Foreign Companies	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0		

For Emkay Tools Limited

S. Sohane..

Company Secretary

A 37/24

EMKAY TOOLS LIMITED

Table III - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE PUBLIC SHAREHOLDER AS ON JUNE 30, 2023 - Post Scheme shareholding pattern																				
Category & Name of the shareholders (I)	No.s of Share holders (II)	No. of fully paid up equity Share held (IV)	Partly paid-up equity Share held (V)	No.s of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)			
							No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)		As a % of total shares held (b)	Shareholding (No. of shares) under		
							Class Equity x	Class Others y	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(l) BODIES CORPORATE	5	1174200	0	0	1174200	11.0033	1174200	0	1174200	11.0033	0	0.0000	NA	NA	1174200					
SUDARSHAN TRADING AND MANUFACTURING PRIVATE LIMITED	1	1033800	0	0	1033800	9.6877	1033800	0	1033800	9.6877	0	0.0000	0	0	1033800					
(m) Any Other(CLEARING MEMBER)	2	6000	0	0	6000	0.0562	6000	0	6000	0.0562	0	0.0000	NA	NA	6000					
(m) Any Other(HINDU UNDIVIDED FAMILY)	12	17400	0	0	17400	0.1631	17400	0	17400	0.1631	0	0.0000	NA	NA	17400					
SUB TOTAL (B)(4)	166	2668500	0	0	2668500	25.0063	2668500	0	2668500	25.0063	0	0.0000	NA	NA	2668500					
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	166	2668500	0	0	2668500	25.0063	2668500	0	2668500	25.0063	0	0.0000	0	NA	2668500					
Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): 0																				
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.																				
Note:																				
(1) PAN would not be displayed on website of Stock Exchange(s).																				
(2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.																				
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.																				
(4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.																				
(5) Sub-categorization of shares under column no. (XV) will be based on shareholding (no. of shares) under the following sub-categories:																				
(i) Shareholders who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.																				
(ii) Shareholders who have entered into shareholder agreement with the listed entity.																				
(iii) Shareholders acting as persons in concert with promoters.																				

For Emkay Tools Limited
S. Sohane
 Company Secretary
 A 37324

EMKAY TOOLS LIMITED

Table IV - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE NON PROMOTER - NON PUBLIC SHAREHOLDER AS ON JUNE 30, 2023 - Post Scheme shareholding pattern

Category & Name of the shareholders (I)	PAN (II)	No. of Share holders (III)	No. of fully paid up equity Share held (IV)	Partly paid-up equity Share held (V)	No.s of shares underlying Depository Receipts (VI)	Total no. shares held (VII)= (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities(as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable) (b)
								Class Equity x	Class Others y	Total								
1 Custodian/DR Holder			0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
Total Non Promoter- Non Public Shareholding (C)=(C)(1)+(C)(2)			0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0

Note

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to disclose name of all holders holding more than 1% of total number of shares.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

For Emkay Tools Limited
S. Sohane
 Company Secretary
 A 37324

EMKAY TOOLS LIMITED

Table V - STATEMENT SHOWING DETAILS OF SIGNIFICANT BENEFICIAL OWNERS AS ON JUNE 30, 2023 - Post Scheme shareholding pattern										
Sr. No	Details of the significant beneficial owner (I)		Details of the registered owner (II)		Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect *: (III) Whether by virtue of:					Date of creation / acquisition of significant beneficial interest* (IV)
	Name	Nationality	Name	Nationality	Shares %	Voting rights %	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
1	Ajayprakash Kanoria (Karta)	INDIAN	Ajayprakash Kanoria HUF	INDIAN	40.5	40.5	40.5	yes	yes	NA

For Emkay Tools Limited

S. Sohane

Company Secretary
A 37324

EMKAY TOOLS LIMITED

Annexure - B

Table VI - Statement Showing Foreign Ownership Limit as on June 30, 2023 - Post Scheme

	Board approved limits	Limits utilized
As on shareholding date	100%	0.07
As on the end of previous 1st quarter	100%	0.06
As on the end of previous 2nd quarter	100%	0.07
As on the end of previous 3rd quarter	100%	0.03
As on the end of previous 4th quarter	100%	0
*Automatic Route 100% allowed		

For Emkay Tools Limited
S. Sohane
 Company Secretary
 A 37324



EMKAY TOOLS

EMKAY TOOLS LTD.

(A Wholly-owned subsidiary of Emkay Taps And Cutting Tools Limited)

CIN: U25939MH2023PLC401627

To,
Manager- Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

Dear Sir,

Sub: Sub.: Application under Regulation 37 of the SEBI (LODR), Regulations, 2015 for the proposed Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("Emkay Tools") (CIN:- L29220MH1995PLC091091) (hereinafter referred to as "the Demerged Company"); and Emkay Tools Limited (CIN:- U25939MH2023PLC401627) (hereinafter referred to as "the Resulting Company") and their respective Shareholders and Creditors under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules and regulations framed thereunder.

In the matter of the above Application, we hereby submit that the unlisted entity involved in the Scheme i.e. Emkay Tools Limited ("the Resulting Company") has been incorporated on 25th April 2023, and therefore the audited financial statements of the Resulting Company for last 3 years, and the details as per Annexure B in the NSE Checklist are not applicable.

Thanking You,
Yours Faithfully,

FOR EMKAY TOOLS LIMITED

S. Sohane

Shruti Sohane
Company Secretary & Compliance Officer
ICSI Membership No. A37324



Ajayprakash Kanoria

Ajayprakash Kanoria
Chairman & Managing Director
DIN: 00041279

Place : Nagpur
Date : July 10, 2023



- Nagpur : Indo Unique Plaza, Opp. Bole Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001. (Maharashtra) INDIA Tel. : 0712 - 2520280, 6466032 Fax : 0712-2532920
- Mumbai : 314/347, "Ninad", Khernagar, Western Exp. Highway, Bandra (E), Mumbai - 400 051 (Maharashtra) INDIA Tele : 022 - 26473665
e-mail : psthakare20@gmail.com / thakareps@rediffmail.com

To,
The Board of Directors,
EMKAY TAPS AND CUTTING TOOLS LIMITED
Plot No B-27 & B-27/1,
MIDC Hingna, Industrial Estate,
Nagpur- 440016,
Maharashtra, India

Dear Sir / Madam,

Independent Auditor's Certificate for the proposed accounting treatment in the books of Emkay Taps And Cutting Tools Limited contained in the draft Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("the Demerged Company"); Emkay Tools Limited ("the Resulting Company"); and their respective Shareholders and Creditors ("Scheme")

1. We, the statutory auditors of Emkay Taps And Cutting Tools Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 7.1 of part II of the Draft Scheme of Arrangement between Emkay Taps And Cutting Tools Limited ("Company" or "Demerged Company") and Emkay Tools Limited ("Resulting Company") and their respective shareholders in terms of the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013, as amended read with rules and regulations made thereunder and Other Generally Accepted Accounting Principles.
2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and Regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.
3. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations,





- **Nagpur** : Indo Unique Plaza, Opp. Bole Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001. (Maharashtra) INDIA Tel. : 0712 - 2520280, 6466032 Fax : 0712-2532920
- **Mumbai** : 314/347, "Ninad", Khernagar, Western Exp. Highway, Bandra (E), Mumbai - 400 051 (Maharashtra) INDIA Tele : 022 - 26473665
e-mail : psthakare20@gmail.com / thakareps@rediffmail.com

2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 read with the rules made thereunder and Other Generally Accepted Accounting Principles as applicable.

4. This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission by the Company to the Securities and Exchange Board of India, National Stock of India Limited, National Company Law Tribunal, Regional Director, Registrar of Companies and such other statutory or regulatory authorities as may be required in connection with the scheme. This Certificate should not be used for any other purpose without our prior written consent.

FOR P.S. THAKARE & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.: 128572W

B.S. Thakare
Partner
Membership Number: 127522
UDIN: 23127522BGSBHW6095

Date: 29.06.2023
Place: Nagpur





Annexure to the certificate

Relevant extract of the proposed draft Scheme of Arrangement between Emkay Taps And Cutting Tools Limited ("Company" or "Demerged Company") and Emkay Tools Limited ("Resulting Company") and their respective shareholders in terms of the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013.

7. ACCOUNTING TREATMENT

7.1 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

Notwithstanding anything contained in any other clauses of the Scheme, the accounting treatment for the purpose of this Scheme, in the books/financial statements of the Demerged Company shall be in accordance with the Accounting Standards (AS) notified under section 133 of Companies Act, 2013 as amended from time to time in accordance with the requirements of applicable AS.

- i. Upon the Scheme becoming effective, the Demerged Company shall reduce the carrying value of assets and liabilities pertaining to the Demerged Undertaking to be transferred and vested in the Resulting Company.
- ii. The value of investments appearing in the books of the Demerged Company, representing equity shares held in Resulting Company shall be cancelled and derecognized. Furthermore, the inter-company balances in form of loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company, pertaining to the Demerged Undertaking, will stand cancelled, and there shall be no further obligation / outstanding in that behalf.
- iii. The difference between the carrying values of assets transferred and vested over, and the carrying value of liabilities vested (i.e. net carrying value of assets transferred and vested), after adjusting for cancellation of inter-company balances and cancellation of shares held in the Resulting Company, shall be adjusted with reserves of the Demerged Company, as per applicable AS.





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e-mail : psthakare20@gmail.com / thakareps@rediffmail.com

To,
The Board of Directors,
EMKAY TOOLS LIMITED
Plot No B-27 & B-27/1,
MIDC Hingna, Industrial Estate,
Nagpur- 440016, Maharashtra, India

Dear Sir / Madam

Independent Auditor's Certificate for the proposed accounting treatment in the books of Emkay Tools Limited contained in the draft Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("the Demerged Company"); Emkay Tools Limited ("the Resulting Company"); and their respective Shareholders and Creditors ("Scheme")

1. We, the statutory auditors of Emkay Tools Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 7.1 of part II of the Draft Scheme of Arrangement between Emkay Taps And Cutting Tools Limited ("Company" or "Demerged Company") and Emkay Tools Limited ("Resulting Company") and their respective shareholders in terms of the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013, as amended read with rules and regulations made thereunder and Other Generally Accepted Accounting Principles.
2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and Regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity





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e-mail : psthakare20@gmail.com / thakareps@rediffmail.com

of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

3. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 read with the rules made thereunder and Other Generally Accepted Accounting Principles as applicable.
4. This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission by the Company to the Securities and Exchange Board of India, National Stock of India Limited, National Company Law Tribunal, Regional Director, Registrar of Companies and such other statutory or regulatory authorities as may be required in connection with the scheme. This Certificate should not be used for any other purpose without our prior written consent.

FOR P.S. THAKARE & CO.

CHARTERED ACCOUNTANTS

FirmRegistration No.: 128572W

B.S. Thakare

Partner

Membership Number: 127522

UDIN: 23127522BGSBHY3917





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e-mail : psthakare20@gmail.com / thakareps@rediffmail.com

Annexure to the certificate

Relevant extract of the proposed draft Scheme of Arrangement between Emkay Taps And Cutting Tools Limited ("Company" or "Demerged Company") and Emkay Tools Limited ("Resulting Company") and their respective shareholders in terms of the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013.

7. ACCOUNTING TREATMENT

7.2. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

Notwithstanding anything contained in any other clauses of the Scheme, the accounting treatment for the purpose of this Scheme, in the books/financial statements of the Resulting Companies shall be in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act, 2013 as amended from time to time.

- i. The assets, and liabilities of the Demerged Undertaking transferred and vested in the respective Resulting Company shall be recorded at their carrying values as appearing in the books of the Demerged Company as at the opening of the business hours of the Appointed Date and in accordance with the requirements of the respective AS.
- ii. The inter-company balances in form of loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company, pertaining to the Demerged Undertaking, will stand cancelled, and there shall be no further obligation / outstanding in that behalf.
- iii. The Resulting Company shall credit its Share Capital Account in its books of accounts with the aggregate face value of the new shares issued to the shareholders of the Demerged Company pursuant to Clause 5 of this Scheme.
- iv. The identity of the balance in the profit and loss account transferred from the Demerged Company to the Resulting Company shall be preserved in the books of the Resulting Company, and shall be computed as difference between the book value of assets and book





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e-mail : psthakare20@gmail.com / thakareps@rediffmail.com

value of liabilities transferred to the Resulting Company under this Scheme, as reduced by the face value of shares issued by the Resulting Company under clause 5 of this Scheme.

- v. Pursuant to Clause 6, the face value of shares held by the Demerged Company in the Resulting Company shall be cancelled, and such face value, net of adjustment made in sub-clause (v) above, if any, will be transferred to Capital Reserve;





EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LTD.

Registered Office & factory Address: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)
CIN: L29220MH1995PLC091091 www.etctl.com

ANNEXURE D - COMPLIANCE REPORT

To,
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, Plot No. C/1, G - Block,
Bandra Kurla Complex, Bandra (East),
Mumbai — 400 051,
Maharashtra,
India.

Series: SM
Symbol: EMKAYTOOLS

Dear Sir/Madam,

Sub.: Application under Regulation 37 of the SEBI (LODR), Regulations, 2015 for the proposed Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("Emkay Tools") (CIN:- L29220MH1995PLC091091) (hereinafter referred to as "the Demerged Company"); and Emkay Tools Limited (CIN:- U25939MH2023PLC401627) (hereinafter referred to as "the Resulting Company") and their respective Shareholders and Creditors under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules and regulations framed thereunder.

It is hereby certified that the draft scheme of arrangement (Scheme of Demerger) involving Emkay Taps and Cutting Tools Limited ("Emkay Tools") (CIN:- L29220MH1995PLC091091) (hereinafter referred to as "the Demerged Company") and Emkay Tools Limited (CIN:- U25939MH2023PLC401627) (hereinafter referred to as "the Resulting Company") and their respective Shareholders and Creditors, does not in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI'S Master Circular No:- SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, including the following:

SN	Reference	Particulars	Status
1.	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	Exemption under Regulation 15 of SEBI (LODR) Regulations, 2015 however, compliance under applicable provisions of Companies Act, 2013 has been duly made by the company from time to time.





EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LTD.

Registered Office & factory Address: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)
CIN: L29220MH1995PLC091091 www.etctl.com

SN	Reference	Particulars	Status
2.	Regulation 11 of LODR Regulations	Compliance with securities laws	Draft Scheme of Demerger is in compliance with this requirement
Requirements of this circular			
(a)	Part (I)(A)(2)	Submission of documents to Stock Exchanges i.e. the National Stock Exchange of India Limited	Submitted to the Stock Exchange
(b)	Part (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities	Draft Scheme of Demerger is in compliance with this requirement
(c)	Part (I)(A)(4) (a)	Submission of Valuation Report	Valuation report has been issued by CA Harsh Chandrakant Ruparelia, an Independent Registered Valuer – Securities or Financial Assets (IBBI Registration No. IBBI/RV/05/2019/11106)
(d)	Part (I)(A)(5)	Auditors certificate regarding compliance with the Accounting Standards (AS)	Issued by M/s P. S. Thakare & CO., Chartered Accountants (FRN: 128572W), the Statutory Auditor of the Company
(e)	Part (I)(A)(9)	Provision of approval of public shareholders through e-voting	Same shall be complied in due course of time as and when required pursuant to the order of NCLT

FOR EMKAY TAPS AND CUTTING TOOLS LIMITED

S. Sohane

Shruti Sohane

Company Secretary & Compliance Officer ...

ICSI Membership No.: A37324



Ajayprakash Kanoria

Ajayprakash Kanoria

Chairman, Managing Director & CEO

DIN : 00041279



EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LTD.

Registered Office & factory Address: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)
CIN: L29220MH1995PLC091091 www.etctl.com

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving Emkay Taps and Cutting Tools Limited and Emkay Tools Limited are in compliance with all the Accounting Standards applicable to a listed entity.

FOR EMKAY TAPS AND CUTTING TOOLS LIMITED

Vishnu Sontakke
Chief Financial Officer



Ajayprakash Kanoria
Chairman, Managing Director & CEO
DIN : 00041279

Date: - 10/07/2023

Place: - NAGPUR



EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LTD.

Registered Office & factory Address: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)
CIN: L29220MH1995PLC091091 www.etctl.com

CERTIFIED TRUE COPY OF THE RESOLUTION(S) PASSED AT THE 02/2023-24 MEETING OF THE BOARD OF DIRECTORS OF EMKAY TAPS AND CUTTING TOOLS LIMITED ('THE COMPANY') HELD ON JUNE 29, 2023 AT 11:30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO B-27 AND B-27/1, MIDC HINGNA, INDUSTRIAL ESTATE NAGPUR-440016, MAHARASHTRA-INDIA.

R. NO. 01 OF 02/2023-24 BM: SCHEME OF ARRANGEMENT BETWEEN I) EMKAY TAPS AND CUTTING TOOLS LIMITED ("THE DEMERGED COMPANY") AND II) EMKAY TOOLS LIMITED ("THE RESULTING COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME")

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules") and the provisions of applicable laws, the memorandum and articles of association of the Company, and subject to requisite approvals, consents, no-objections, sanctions and permissions of the concerned authorities, persons, members, and creditors of the Company, as applicable, and further subject to sanction of the National Company Law Tribunal ("Tribunal") and based on the recommendation of the Audit Committee of the Company, the Board do hereby approve the Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("the Demerged Company") and Emkay Tools Limited ("the Resulting Company") and their respective shareholders ("Scheme") with effect from the Appointed Date mentioned in the Scheme, as per terms and conditions mentioned in the Scheme placed before the Board of Directors and initialled by the Chairman of the meeting for the purposes of identification.

RESOLVED FURTHER THAT the valuation report and fairness opinion, issued by CA Harsh Chandrakant Ruparelia, an Independent Registered Valuer – Securities or Financial Assets (IBBI Registration No. IBBI/RV/05/2019/11106) and M/s. Fedex Securities Private Limited, an Independent SEBI Registered Merchant Banker (SRN: INM 000010163) respectively, for the purpose of Scheme of Arrangement, and the auditors certificate, issued by M/s P. S. Thakare & Co., the Statutory Auditor of the company, confirming the accounting treatment specified in the Scheme of Arrangement is taken on record.

RESOLVED FURTHER THAT Mr. Ajayprakash Kanoria, Chairman, Managing Director & CEO, Mrs. Alka Kanoria, Whole-time Director, Mr. Vishnu Sontakke, Chief Financial Officer and Ms. Shruti Sohane, Company Secretary & Compliance Officer of the company be and are hereby severally and jointly authorized to take all the necessary steps to-

- (a) finalize the draft Scheme and make alteration(s), modification(s) or change(s) in the Scheme, as may be required, prior to filing of the Scheme with the concerned authorities (such as, Tribunal, NSE, Central Government, Registrar of Companies, Regional Director, Income Tax





EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LTD.

Registered Office & factory Address: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)
CIN: L29220MH1995PLC091091 www.etctl.com

Authorities, Bankers and any other Government or quasi-Government or any statutory or regulatory authority/(ies)) and persons;

- (b) accept and make such alteration(s), modification(s) or change(s) in the Scheme, as may be stipulated / prescribed by the concerned authorities or others;
- (c) convene separate meetings of shareholders and creditors of the Company, as may be required, under Sections 230 to 232 and other applicable provisions of the Act read with the Rules for obtaining their respective approvals for the Scheme (including by way of e-voting), and in this regard, finalize, sign, execute and issue to them necessary Notice(s), documents, papers, statements and writings;
- (d) settle any question or difficulty that may arise under the Scheme or with regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any manner whatsoever connected therewith or to review the position relating to the satisfaction of various conditions mentioned in the Scheme, and if necessary, to waive any of such conditions (to the extent permissible under applicable laws), in order to give effect to the above resolution;
- (e) represent the Company before the concerned authorities including but not limited to Goods and Services Tax Authorities, Employees' State Insurance and Provident Fund Authorities and all other applicable authorities, agencies, persons, members and creditors as may be necessary or required for the purpose of giving effect to the Scheme;
- (f) file an applications with the NCLT or such other competent authority for seeking direction for / dispensation from holding meeting of the shareholders and creditors of the Company as may be required to give effect to the Scheme;
- (g) file petitions for confirmation of the Scheme with the NCLT or such other competent authority;
- (h) make, verify, finalize, settle, swear, affirm, declare, sign, authenticate, execute, enter into, deliver, acknowledge, undertake, record and file necessary applications, forms, petitions, appeals, affidavits, pleadings, declarations, undertakings, returns, reports, advertisements, announcements, disclosures, vakalatnama and such other deeds, documents, papers, statements and writings, as may be necessary in connection with the Scheme or for obtaining requisite approvals, in-principle approvals, consents, sanctions and permissions of such concerned authorities and persons;





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- (i) engage and appoint any counsels, consultant firms, advocates, attorneys, pleaders, solicitors, accountants, valuers, auditors, registrars, agencies, merchant bankers, scrutinizers, advisors, experts or any other one or more agencies/persons, as may be required, in relation to or in connection with the Scheme, on such terms and conditions, including remuneration, as may be mutually decided and to issue appointment letter(s), furnish such information as may be required by them in connection with the Scheme;
- (j) do all such acts, deeds, matters and things and take all steps as may be necessary, including modification of the Scheme, if required, issuing consent letter(s) / affidavit(s) as a shareholder and / or creditor of the Resulting Company, and do all such other acts, matters, deeds and things as may be necessary, proper, expedient or desirable in connection with or incidental to giving effect to the purpose of these resolutions or the Scheme;
- (k) authorize the officers of the Company and/or any other persons to exercise any or all of the authorities / powers mentioned hereinabove by way of execution of letter of authority or power of attorney;
- (l) filing of requisite E-forms with Registrar of Companies or such other competent authority as may be required from time to time to give effect to the Scheme;
- (m) sign all other documents, relating to the Scheme; and
- (n) do all acts and things as may be considered necessary and expedient in relation thereto to give effect to the Scheme;

RESOLVED FURTHER THAT the consent of the Board of Directors be and is hereby accorded to the draft of the Board of Directors' report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, which has been placed before the Board of Directors and initialled by the Chairman of the meeting for the purpose of identification.

RESOLVED FURTHER THAT the Common Seal of the Company be affixed to the relevant documents wherever deemed necessary (including on any modifications or amendments thereto, as may be required from time to time) in the presence of any of the Directors of the Company or any of authorized representatives of the Company in terms of the provisions of the Articles of Association of the Company.





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RESOLVED FURTHER THAT the copy of this resolution duly certified to be true by any of the above authorised Directors and/or Ms. Shruti Sohane, Company Secretary & Compliance Officer of the Company, be issued and submitted to the concerned authorities as may be required from time to time and they be requested to act thereon."

For EMKAY TAPS AND CUTTING TOOLS LIMITED

Ajayprakash Kanoria

Chairman, Managing Director & CEO

DIN: 00041279

Date: July 01, 2023

Place: Nagpur





EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LTD.

Registered Office & factory Address: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)
CIN: L29220MH1995PLC091091 www.etctl.com

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Series: SM
Symbol: EMKAYTOOLS

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (LODR), Regulations, 2015 for the proposed Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("Emkay Tools") (CIN:- L29220MH1995PLC091091) (hereinafter referred to as "the Demerged Company"); and Emkay Tools Limited (CIN:- U25939MH2023PLC401627) (hereinafter referred to as "the Resulting Company") and their respective Shareholders and Creditors under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules and regulations framed thereunder.

In connection with the above application, we hereby confirm that the Entities forming part of the Scheme have not listed any debt obligations on the Stock Exchanges. Hence, declaration / details on any past defaults of listed debt obligations of the Entities forming part of the Scheme are not applicable.

Thanking you.

Yours sincerely,

For Emkay Taps and Cutting Tools Limited

S. Sohane

Shruti Sohane
Company Secretary & Compliance Officer
ICSI Membership No. A37324
Place : Nagpur
Date : July 10, 2023



Ajayprakash

Ajayprakash Kanoria
Chairman, Managing Director & CEO
DIN: 00041279



EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LTD.

Registered Office & factory Address: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)
CIN: L29220MH1995PLC091091 www.etctl.com

To,
Manager- Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

Series: SM
Symbol: EMKAYTOOLS

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (LODR), Regulations, 2015 for the proposed Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("Emkay Tools") (CIN:- L29220MH1995PLC091091) (hereinafter referred to as "the Demerged Company"); and Emkay Tools Limited (CIN:- U25939MH2023PLC401627) (hereinafter referred to as "the Resulting Company") and their respective Shareholders and Creditors under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules and regulations framed thereunder.

In connection with the above application, we have enclosed herewith a No Objection Certificate from the ICICI Bank, as required under Para A(2)(k) of Part I of the SEBI Master Circular No.:- SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

Thanking you.

Yours sincerely,

FOR EMKAY TAPS AND CUTTING TOOLS LIMITED

S. Sohane



Shruti Sohane
COMPANY SECRETARY & COMPLIANCE OFFICER
ICSI Membership No. A37324
Place: Nagpur
Date :

Date: 06/07/2023

Emkay Taps and Cutting Tools Limited
Plot No B-27 And B-27/1,
Midc Hingna,
Industrial Estate Nagpur- 440016,
Maharashtra, India

Dear Sir,

Sub: No Objection Certificate ("NOC")

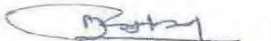
Ref: Scheme of Arrangement between Emkay Taps And Cutting Tools Limited ("Company" or "Demerged Company") and Emkay Tools Limited ("Resulting Company") and their respective shareholders ("Scheme") under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder

1. ICICI Bank Limited is the secured creditor of Emkay Taps and Cutting Tools Limited having value of secured debt of INR 84.75 Million as on 05/07/2023.
2. The Bank is informed that the said Company is going to submit an Application for seeking sanction of the Scheme of Arrangement in the nature of Demerger of its undertaking under the provisions of Sections 230 to 232, read with other applicable provisions, of the Companies Act, 2013.
3. We have gone through the proposed Scheme of Arrangement and considered its implications. Having consciously considered the same, we hereby convey our approval and agreement to the proposed Scheme of Arrangement.
4. We confirm that we have no objection if the said Company proceeds for making necessary applications required for sanctioning the said Scheme. We also confirm that the said Scheme will be binding on us in terms of the sanction of the same by the appropriate authority.
5. We have no objection if the Hon'ble National Company Law Tribunal dispenses with the calling of the Meeting of Secured Creditors for approving the said Scheme of Arrangement.



6. NCLT and related regulatory authority approval to be in place.
7. Percentage of PG provider should not get diluted.
8. Adjusted tangible net worth/ Total outside liability should exceed 0.75x.

Kindly take the same on record.


90027659

Thanking you,
Yours faithfully,
For ICICI Bank





EMKAY TOOLS

EMKAY TOOLS LTD.

[A Wholly-owned subsidiary of Emkay Taps And Cutting Tools Limited]

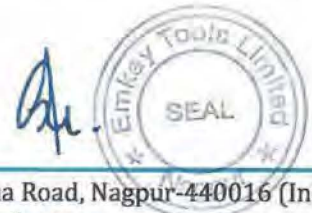
CIN: U25939MH2023PLC401627

CERTIFIED TRUE COPY OF THE RESOLUTION(S) PASSED AT THE 03/2023-24 MEETING OF THE BOARD OF DIRECTORS OF EMKAY TOOLS LIMITED ('THE COMPANY') HELD ON JUNE 29, 2023 AT 01:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO B-27 AND B-27/1, MIDC HINGNA, INDUSTRIAL ESTATE NAGPUR-440016, MAHARASHTRA-INDIA..

R. NO. 01 OF 03/2023-24 BM: SCHEME OF ARRANGEMENT BETWEEN I) EMKAY TAPS AND CUTTING TOOLS LIMITED ('THE DEMERGED COMPANY') AND II) EMKAY TOOLS LIMITED ('THE RESULTING COMPANY') AND THEIR RESPECTIVE SHAREHOLDERS ('SCHEME')

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules") and the provisions of applicable laws, the memorandum and articles of association of the Company, and subject to requisite approvals, consents, no-objections, sanctions and permissions of the concerned authorities, persons, members, and creditors of the Company, as applicable, and further subject to sanction of the National Company Law Tribunal ("Tribunal"), the Board do hereby approve the Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ('the Demerged Company') and Emkay Tools Limited ('the Resulting Company') and their respective shareholders ('Scheme') with effect from the Appointed Date mentioned in the Scheme, as per terms and conditions mentioned in the Scheme placed before the Board of Directors and initialled by the Chairman of the meeting for the purposes of identification.

RESOLVED FURTHER THAT the valuation report and fairness opinion, issued by CA Harsh Chandrakant Ruparelia, an Independent Registered Valuer – Securities or Financial Assets (IBBI Registration No. IBBI/RV/05/2019/11106) and M/s. Fedex Securities Private Limited, an Independent SEBI Registered Merchant Banker (SRN: INM 000010163) respectively, for the purpose of Scheme of Arrangement, and the auditors certificate, issued by M/s P. S. Thakare & Co., the Statutory Auditor of the company, confirming the accounting treatment specified in the Scheme of Arrangement is taken on record.





EMKAY TOOLS

EMKAY TOOLS LTD.

(A Wholly-owned subsidiary of Emkay Taps And Cutting Tools Limited)

CIN: U25939MH2023PLC401627

RESOLVED FURTHER THAT Mr. Ajayprakash Kanoria, and Mrs. Alka Kanoria, the Executive Directors of the company be and are hereby authorized to take all the necessary steps to-

- (a) finalize the draft Scheme and make alteration(s), modification(s) or change(s) in the Scheme, as may be required, prior to filing of the Scheme with the concerned authorities (such as, Tribunal, NSE, Central Government, Registrar of Companies, Regional Director, Income Tax Authorities, Bankers and any other Government or quasi-Government or any statutory or regulatory authority/(ies)) and persons;
- (b) accept and make such alteration(s), modification(s) or change(s) in the Scheme, as may be stipulated / prescribed by the concerned authorities or others;
- (c) convene separate meetings of shareholders and creditors of the Company, as may be required, under Sections 230 to 232 and other applicable provisions of the Act read with the Rules for obtaining their respective approvals for the Scheme (including by way of e-voting), and in this regard, finalize, sign, execute and issue to them necessary Notice(s), documents, papers, statements and writings;
- (d) settle any question or difficulty that may arise under the Scheme or with regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any manner whatsoever connected therewith or to review the position relating to the satisfaction of various conditions mentioned in the Scheme, and if necessary, to waive any of such conditions (to the extent permissible under applicable laws), in order to give effect to the above resolution;
- (e) represent the Company before the concerned authorities including but not limited to Goods and Services Tax Authorities, Employees' State Insurance and Provident Fund Authorities and all other applicable authorities, agencies, persons, members and creditors as may be necessary or required for the purpose of giving effect to the Scheme;





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- (f) file an applications with the NCLT or such other competent authority for seeking direction for / dispensation from holding meeting of the shareholders and creditors of the Company as may be required to give effect to the Scheme;
- (g) file petitions for confirmation of the Scheme with the NCLT or such other competent authority;
- (h) make, verify, finalize, settle, swear, affirm, declare, sign, authenticate, execute, enter into, deliver, acknowledge, undertake, record and file necessary applications, forms, petitions, appeals, affidavits, pleadings, declarations, undertakings, returns, reports, advertisements, announcements, disclosures, vakalatnama and such other deeds, documents, papers, statements and writings, as may be necessary in connection with the Scheme or for obtaining requisite approvals, in-principle approvals, consents, sanctions and permissions of such concerned authorities and persons;
- (i) engage and appoint any counsels, consultant firms, advocates, attorneys, pleaders, solicitors, accountants, valuers, auditors, registrars, agencies, merchant bankers, scrutinizers, advisors, experts or any other one or more agencies/persons, as may be required, in relation to or in connection with the Scheme, on such terms and conditions, including remuneration, as may be mutually decided and to issue appointment letter(s), furnish such information as may be required by them in connection with the Scheme;
- (j) do all such acts, deeds, matters and things and take all steps as may be necessary, including modification of the Scheme, if required, issuing consent letter(s) / affidavit(s) as a creditor of the Demerged Company, and do all such other acts, matters, deeds and things as may be necessary, proper, expedient or desirable in connection with or incidental to giving effect to the purpose of these resolutions or the Scheme;
- (k) authorize the officers of the Company and/or any other persons to exercise any or all of the authorities / powers mentioned hereinabove by way of execution of letter of authority or power of attorney;





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- (l) filing of requisite E-forms with Registrar of Companies or such other competent authority as may be required from time to time to give effect to the Scheme;
- (m) sign all other documents, relating to the Scheme; and
- (n) do all acts and things as may be considered necessary and expedient in relation thereto to give effect to the Scheme;

RESOLVED FURTHER THAT the consent of the Board of Directors be and is hereby accorded to the draft of the Board of Directors' report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, which has been placed before the Board of Directors and initialled by the Chairman of the meeting for the purpose of identification.

RESOLVED FURTHER THAT the Common Seal of the Company be affixed to the relevant documents wherever deemed necessary (including on any modifications or amendments thereto, as may be required from time to time) in the presence of any of the Directors of the Company or any of authorized representatives of the Company in terms of the provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT the copy of this resolution duly certified to be true by any Director of the Company, be issued and submitted to the concerned authorities as may be required from time to time and they be requested to act thereon."

For EMKAY TOOLS LIMITED

Ajayprakash Manoria

Director & Chairperson of Meeting

DIN: 00041279

Date: July 01, 2023

