



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

NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF EMKAY TAPS AND CUTTING TOOLS LIMITED TO BE CONVENED PURSUANT TO THE ORDER DATED 13th MARCH 2024 BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH - II

MEETING	
Day	Thursday
Date	2 nd May 2024
Time	11:00 AM
Venue and Mode of Meeting	As per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench - II, the Meeting shall be conducted at the Registered Office of the Company at Plot No. B-27, and B-27/1, MIDC Hingna, Industrial Estate, Nagpur, Maharashtra, 440 016

REMOTE E-VOTING	
Cut-off date for e-Voting	Friday, 26 th April 2024
Remote e-Voting start date and time	Monday, 29 th April 2024 at 9 AM (IST)
Remote e-Voting end date and time	Wednesday, 1 st May 2024 at 5 PM (IST)

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The Notice of the Meeting, Statement under Sections 102, 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rule 6 of the CAA Rules, 2016, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable SEBI Circulars and Annexure 1 to Annexure 18 (page nos. 40 to 274) constitute a single and complete set of documents and should be read in conjunction with each other, as they form an integral part of this document.

**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH – II
C.A. (CAA) / 4 / MB / 2024
FORM NO. CAA. 2**

[Pursuant to Section 230(3) of the Companies Act, 2013 and Rule 6 and 7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

In the matter of the Companies Act, 2013

AND

In the matter of Section 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 there under;

AND

In the matter of 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 of Arrangement')

Emkay Taps and Cutting Tools Limited,	}
a Company incorporated,	}
under the provisions of Companies Act, 1956	}
having its registered office at Plot No. B-27,	}
and B-27/1, MIDC Hingna, Industrial Estate,	}
Nagpur, Maharashtra, 440 016.	}
CIN L29220MH1995PLC091091	} ... Company / Demerged Company

**NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF THE DEMERGED
COMPANY**

To,

All the Equity Shareholders of Emkay Taps and Cutting Tools Limited ('Company' or 'Demerged Company')

1. **NOTICE** is hereby given that, in accordance with the Order ('Tribunal Order') dated 13th March 2024, in the above mentioned Company Application, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench – II ('NCLT' or 'Tribunal'), a Meeting of the Equity Shareholders of the Company, will be held for the purpose of their considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Emkay Taps and Cutting Tools Limited and Emkay Tools Limited and their respective shareholders ('Scheme' or 'Scheme of Arrangement') on 2nd May 2024 at 11 AM (IST).
2. Pursuant to the said Order and as directed therein, the Meeting of the Equity Shareholders of the

Company ('Meeting') will be held at the registered office of the Company, in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'); the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; ('the CAA Rules, 2016') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'); SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June 2023 ('SEBI Master Circular'); and Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India ('SS-2') to consider, and if thought fit, to pass, with or without modification(s), the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(1) and (6) read with Section 232(1) of the Act, as amended:

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with SEBI Master Circular No. SEBI/HO/CFD/POD- 2/P/CIR/2023/93 dated 20th June 2023 and other applicable SEBI Circulars, the Observation Letter issued by the Stock Exchange viz. National Stock Exchange of India Limited, in this regard (including any statutory modification(s) or re-enactment(s) and circulars issued thereof, for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the parties to the Scheme, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Arrangement between Emkay Taps And Cutting Tools Limited and Emkay Tools Limited and their respective shareholders ('Scheme' or 'Scheme of Arrangement'), be and is hereby approved;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem

fit and proper, without being required to seek any further approval of the Shareholders and the Shareholders shall be deemed to have given their approval thereto expressly by authority under this Resolution.”

3. **TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the registered office of the Company at registered office at Plot No. B-27, and B-27/1, MIDC Hingna, Industrial Estate, Nagpur, Maharashtra, 440 016 not later than 48 (forty-eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Company, and is also enclosed along with this Notice.

4. **TAKE FURTHER NOTICE** that the Equity Shareholders shall have the facility and option of e-voting on the resolution for approval of the Scheme by casting their votes:

(a) by remote electronic voting during the period as stated below (‘remote e-Voting’);

or

(b) through e-Voting system available at the Meeting to be held at registered office (‘e-Voting at the Meeting’):

REMOTE E-VOTING PERIOD	
Commencement of voting	Monday, 29 th April 2024 at 9 AM (IST)
End of voting	Wednesday, 1 st May 2024 at 5 PM (IST)

5. **TAKE FURTHER NOTICE** that in compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Act; (ii) Rule 6(3)(xi) of the CAA Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the SEBI Listing Regulations; and (v) SEBI Master Circular, and (vi) Secretarial Standard SS-2, the Company has provided the facility of voting by ballot paper and e-voting so as to enable the equity shareholders, which includes the Public Shareholders, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Company to the Scheme shall be carried out through (i) e-voting and (ii) ballot or polling paper at the venue of the meeting to be held on 2nd May, 2024.

6. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Demerged Company/ Registrar and Transfer Agent (‘RTA’) / Depositories as on the cut-off date, i.e., 26th April 2024 only shall be entitled to exercise his/ her/ its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not an Equity Shareholder as on the cut-off date, should treat the Notice for information purposes only.

7. A copy of the said Scheme, statement under Sections 230 to 232 read with Section 102 and other

applicable provisions of the Act and Rule 6 of the CAA Rules along with all annexures to such statement are annexed. A copy of this Notice and the accompanying documents are also placed on the website of the Company and can be accessed at www.etctl.com; the website of National Securities Depository Limited viz. ('NSDL') viz. www.evoting.nsdl.com, being the agency appointed by the Company to provide the e-Voting and other facilities for convening of the Meeting; and the website of the Stock Exchange i.e., National Stock Exchange of India Limited ('NSE') viz. www.nseindia.com. and that of SEBI at www.sebi.gov.in.

8. The Tribunal has appointed Mr. Vipul Joshi (Email: vipuljoshi.adv@gmail.com), to be the Chairperson for the Meeting. Furthermore, the Tribunal has appointed Mr. Roshan Harde (Membership No.:34630), Practicing Company Secretary to be the Scrutinizer for the Meeting, including any adjournments thereof, to scrutinize the process of remote e-voting as well as e-voting at the Meeting, to ensure that it is fair and transparent. Depending on his availability, the Chairperson may attend the Meeting through Video Conference or Other Audio-Visual Means.
9. The Scheme, if approved by the requisite majority of Equity Shareholders of Company at the aforesaid Meeting, will be subject to the subsequent sanction of the Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.



Vipul Joshi

Chairperson appointed by the Tribunal for the Meeting

Date: 27th Day of March 2024

Place: Nagpur

Registered Office:

Emkay Taps and Cutting Tools Limited,

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

MIDC Hingna, Industrial Estate,

Nagpur, Maharashtra, 440 016

CIN: L29220MH1995PLC091091

Tel: 91-9226071464

E-mail: investors@etctl.com Website: www.etctl.com

NOTES:

1. Only registered equity shareholders of the Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Company) or in the case of a body corporate or Registered Foreign Portfolio Investors (“RFPI”) or Foreign Institutional Investors (“FII”), by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Company. The authorised representative of a body corporate/RFPI/FII which is a registered equity shareholder of the Company may attend and vote at the meeting of the equity shareholders of the Company provided a copy of the resolution of the board of directors or other governing body of the body corporate/RFPI/FII authorising such representative to attend and vote at the meeting of the equity shareholders of the Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate/RFPI/FII, is deposited at the registered office of the Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Company. The voting by the said authorized representative(s) is permitted, provided that the authorization, duly signed, is lodged with the Company, in physical, at its registered office or emailed to the Company Secretary at Companysecretary@emkaytaps.com or to the scrutinizer at mcagsb83@gmail.com, at least 48 (Forty-Eight) hours before the Meeting.
2. As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.
3. The form of proxy can be obtained free of charge from the registered office of the Company and is also enclosed along with the Notice.
4. All alterations made in the form of proxy should be initialed.
5. During the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company.
6. Pursuant to the directions of the NCLT vide its Order dated 13th March 2024 (‘Tribunal Order’), the Meeting of the Equity Shareholders of the Company is being conducted at the registered office of the Company, situated at Plot No. B-27, and B-27/1, MIDC Hingna, Industrial Estate, Nagpur, Maharashtra, 440 016 to transact the business set out in the Notice convening this Meeting.
7. The Statement pursuant to Sections 230 to 232 read with Section 102 and other applicable provisions of

the Companies Act, 2013 ('Act') and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out in the Notice of the Meeting is annexed hereto.

8. Pursuant to the directions of the Tribunal given under the Tribunal Order and Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, Regulation 44 of the SEBI Listing Regulations read with SEBI Master Circular, SS-2, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings through ballot or polling paper and e-voting vide General Circular No. 09/2023 dated 25 September, 2023 read with General Circulars No. 11/2022 dated 28 December 2022, 2/2022 dated 5 May 2022, 19/2021 dated 8 December 2021, 20/2021 dated 23 June 2021, 39/2020 dated 31 December 2020, 33/2020 dated 28 September 2020, 22/2020 dated 15 June 2020, 14/2020 dated 8 April 2020 and 17/2020 dated 13 April 2020 (including any amendments and clarifications thereto), issued by the Ministry of Corporate Affairs (collectively the 'MCA Circulars'), the Company is providing to the Shareholders the facility to exercise their right to vote at the Meeting by ballot or polling paper and electronic means, i.e., remote e-Voting and e-Voting at the Meeting (hereinafter referred to as 'e-Voting'). For this purpose, the Company has entered into an agreement with National Securities Depository Limited ('NSDL') for facilitating voting through electronic means, as the authorized agency.
9. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the RTA / Depositories as on the Cut-off Date, i.e., 26th April 2024 only shall be eligible for participation in remote e-Voting (e-Voting from a place other than venue of the meeting) and voting at the Meeting.
10. Please note that Members can opt for only one mode of voting i.e., either by voting at the Meeting (through ballot or polling paper or e-voting) or remote e-Voting. If Members opt for remote e-Voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-Voting prior to the date of the Meeting can attend the Meeting and participate in the Meeting but shall not be entitled to cast their vote again. A person who is not a shareholder as on the Cut-off Date, should treat the Notice for information purpose only.
11. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
12. The registered equity shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.
13. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice, holds shares as on the Cut-Off Date may obtain the login ID and password by sending a

request to NSDL at evoting@nsdl.com. However, if the Member is already registered with NSDL for remote e-Voting, then he/she can use his/her existing User-ID and password for casting the vote. Only a Member who is entitled to vote shall exercise his/her/its vote through e-Voting and any recipient of this Notice who has no voting rights as on the Cut-off Date should treat the same as intimation only. If a member has forgotten his/her/its password, the member can reset the password by using 'Forgot User Details/Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000.

14. In the case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
15. The attendance of the Members attending the Meeting at the registered office of the Company will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
16. Since, the Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through ballot, polling paper and e-voting, no separate procedure for voting through ballot, polling paper and e-voting would be required to be carried out by the Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The aforesaid notice sent to the equity shareholders (which include Public Shareholders) of the Company would be deemed to be the notice sent to the Public Shareholders of the Company.
17. As per directions of the Tribunal Order and in terms of the MCA circulars, the Notice of the Meeting and the accompanying documents mentioned in the Index are being sent only through electronic mail to those equity shareholders whose e-mail addresses are registered with the Company / Registrar and Transfer Agent / Depository Participant / Depositories. Physical copy of this Notice along with accompanying documents will be sent to those equity shareholders who request for the same.
18. The shareholders may note that the aforesaid documents are also available on the website of the Company at www.etctl.com and on the website of the Stock Exchange, i.e., National Stock Exchange of India Limited at www.nseindia.com, the website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com, being the agency appointed by the Company to provide e-Voting facility for the Meeting.

If so desired, shareholders may obtain a physical copy of these documents free of charge from the registered office of the Company on any day (except Saturday, Sunday and public holiday) up to the date of the meetings. Alternatively, a written request for obtaining physical / soft copy of these documents may be made by writing an e-mail in this regard to the Company Secretary at Companysecretary@emkaytaps.com along with details such as demat account no./ Folio no., name, address, Permanent Account Number (PAN), mobile number and email address.

19. Incomplete, unsigned, improperly or incorrectly tick marked ballot or polling forms will be rejected by the scrutinizer.
20. The vote on ballot or polling paper cannot be exercised through proxy.
21. There will be only 1 (one) ballot or polling paper for every registered folio/client ID irrespective of the number of joint equity shareholders.
22. The ballot or polling paper form should be completed and signed by the equity shareholders (as per specimen signature registered with the Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney (“POA”) on behalf of an equity shareholder may vote on the ballot or polling paper mentioning the registration number of the POA with the Company or enclosing a copy of the POA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed ballot or polling paper form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the ballot or polling paper.
23. The Hon’ble Tribunal has also appointed Mr. Roshan Harde (Membership No.: 34630) having office at Business Plaza, Ground Floor, 6 Farmland, Central Bazar Road, Near Lokmat Square, Nagpur – 440 110, as Scrutinizer for the Meeting, including any adjournments thereof, to scrutinize the process of remote e-voting as well as e-voting or voting through ballot or polling paper at the Meeting, to ensure that it is fair and transparent.
24. The scrutinizer will submit his combined report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders of the Company through (i) e-voting process, and (ii) ballot or polling paper at the venue of the meeting. The scrutinizer will also submit a separate report with regard to the result of the e-voting or voting through ballot or polling paper in respect of Public shareholders. The scrutinizer’s decision on the validity of the vote (including e-votes) shall be final. The Scrutinizer will make a consolidated Scrutinizer’s Report and submit the same to the Chairperson of the Meeting. The result of e-Voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer’s Report, will be placed on the website of the Company: www.etctl.com and on the website of NSDL at www.evoting.nsdl.com. The result will simultaneously be communicated to the National Stock Exchange of India Limited. The result will also be displayed at the registered office of the Company.
25. The equity shareholders of the Company attending the meeting who have not cast their vote through remote e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through remote e-voting may also attend the meeting but shall not be entitled to cast their vote again. The voting through remote e-voting period will commence at 9 AM (IST) on

Monday, 29th April 2024 and will end at 5 PM (IST) Wednesday, 1st May 2024. During this period, the equity shareholders (which includes Public Shareholders) of the Company holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Friday, 26th April 2024 may cast their vote electronically. Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently.

26. In accordance with the provisions of Section 230 to 232 read with Section 66 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of the Demerged Company, by e-voting, agree to the Scheme. Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through e-voting or ballot or polling paper) in favour of the aforesaid resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.
27. In terms of Regulation 40 of the Listing Regulations, as amended, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. However, Members can continue to hold shares in physical form. Accordingly, Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat/electronic form to get inherent benefits of dematerialisation since physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.
28. Shareholders are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting and manner of casting vote through electronic means.

Remote E-Voting; and E-Voting at the Meeting

29. The facility of casting votes by a shareholder using electronic means, i.e. (i) remote e-Voting and (ii) e-Voting at the Meeting, (hereinafter referred to as 'e-Voting') is also being provided by National Securities Depository Limited (NSDL).
30. The remote e-Voting period will commence at 9 AM (IST) on 29th April 2024 and end at 5 PM (IST) on 1st May 2024. The e-Voting module shall be disabled by NSDL for remote e-Voting thereafter. However, the same shall be enabled once again during the course of the Meeting. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Demerged Company/RTA/Depositories as on the cut-off date, i.e., 26th April 2024 only shall be entitled to cast their vote by electronic means. The voting rights of a shareholder shall be in proportion to his/her/its shareholding in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a shareholder as on the cut-off date, should treat the Notice for information purpose only.
31. Any person who becomes a shareholder of the Company after dispatch of the Notice and holds shares on the cut-off date may exercise his/her voting rights through e-Voting by following the procedure given

below.

32. Once the vote on a resolution is cast by an Equity shareholder, the Equity shareholder shall not be allowed to change it subsequently.

Procedure for remote e-voting

Remote e-voting on NSDL e-voting system consists of “Two Steps”:

Step 1: Access to NSDL e-voting system


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

Step 1: Access to NSDL e-voting system

A) Login method for e-Voting for individual shareholders holding securities in demat mode.

In terms of SEBI circular dated 9th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"><li data-bbox="526 1216 1390 1798">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the ‘Beneficial Owner’ icon under ‘Login’ which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on ‘Access to e-Voting’ under e- Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select ‘Register Online for IDeAS Portal’ or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp<li data-bbox="526 1816 1390 2024">2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: http://www.evoting.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon ‘Login’ which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to

	<p>enter your User ID (i.e., your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period & voting during the meeting.</p> <p>3. Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="576 703 1074 1003" style="text-align: center;"> <p>NSDL Mobile App is available on</p>  <p>The image shows a promotional banner for the NSDL Mobile App. At the top, it says 'NSDL Mobile App is available on'. Below this, there are two logos: the Apple App Store logo and the Google Play logo. Underneath each logo is a square QR code for scanning to download the app.</p> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on Login icon & New System Myeasi Tab. Users can use existing Username & Password for login.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>3. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat</p>

	Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period & voting during the meeting

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at

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

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- c. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
 - i. Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - ii. Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
6. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
 7. Now, you will have to click on 'Login' button.
 8. After you click on the 'Login' button, Home page of e-Voting will open.

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

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select 'EVEN' of company for which you wish to cast your vote during the remote e- Voting period and casting your vote during the General Meeting.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines

1. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mcagsb83@gmail.com with a copy marked to evoting@nsdl.com.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding

shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.com or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com or call on 022 2499 7000 and 022 4886 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned in the Notice of the Meeting under Step 1: 'Access to NSDL e-Voting system' (Above).

3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the '[Forgot User Details/Password?](#)' or '[Physical User Reset Password?](#)' option available on www.evoting.nsdl.com to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 2499 7000 and 022 4886 7000 or send a request at evoting@nsdl.com.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Companysecretary@emkaytaps.com or to the Company's Registrar and Share Transfer Agent, namely Bigshare Private Limited at their e-mail id viz. investor@bigshareonline.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Companysecretary@emkaytaps.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9 December 2020 on e-Voting facility provided by Listed Companies,

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The instructions for members for e-voting on the day of the Court/Tribunal Convened Meeting are as under:

1. The procedure for e-Voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the Meeting at registered office of the Company and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Meeting.
3. Members who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the Meeting shall be the same person mentioned for Remote e-voting.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members are requested to submit PAN, or intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, specimen signature (as applicable) etc., to their DP in case of holding in dematerialised form or to Company's RTA, LIPL through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable) available on the Company's website at www.etctl.com and on the website of Bigshare Services Private Limited (RTA) at <https://www.bigshareonline.com> (email - investor@bigshareonline.com) in case of holdings in physical form.

**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH – II
C.A. (CAA) / 4 / MB / 2024**

In the matter of the Companies Act, 2013

AND

In the matter of Section 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 there under;

AND

In the matter of 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 of Arrangement')

Emkay Taps and Cutting Tools Limited,	}
a Company incorporated,	}
under the provisions of Companies Act, 1956	}
having its registered office at Plot No. B-27,	}
and B-27/1, MIDC Hingna, Industrial Estate,	}
Nagpur, Maharashtra, 440 016. }	}
CIN L29220MH1995PLC091091	} ... Demerged Company

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 230 TO 232 READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ('ACT') AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 ('CAA RULES'), SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, READ WITH MASTER CIRCULAR NO. SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED 20TH JUNE 2023 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ('SEBI MASTER CIRCULAR'), READ WITH OTHER APPLICABLE SEBI CIRCULARS, EACH AS AMENDED, ACCOMPYNING THE NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS OF EMKAY TAPS AND CUTTING TOOLS LIMITED CONVENED PURSUANT TO ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL ('TRIBUNAL') DATED 13TH MARCH 2024 ('TRIBUNAL ORDER')

I. MEETING FOR THE SCHEME

This is a statement accompanying the Notice convening the Meeting of Equity Shareholders of Emkay Taps and Cutting Tools Limited ('Company' or 'Demerged Company'), for the purpose of their considering and if thought fit, approving, with or without modification(s), the proposed 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' or 'Scheme of Arrangement').

The Scheme inter-alia provides for

- (i) The demerger of the Demerged Undertaking (defined in clause 1.9 of Scheme) 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 in the Scheme) of the Resulting Company to the shareholders of Emkay Taps And Cutting Tools Limited;
- (ii) Various other matters consequential, supplemental and / or otherwise integrally connected therewith.

The salient features of the Scheme are given in Paragraph V of this Statement. The detailed terms of the arrangement may be referred to in the Scheme, annexed as '**Annexure 1**'.

Capital terms not defined herein and used in the Notice and this Statement shall have the same meaning as ascribed to them in the Scheme.

This statement may be treated as an Explanatory Statement under Section 230(3) read with Section 102 of the Companies Act, 2013.

II. DATE, TIME AND MODE OF MEETING

- i. Pursuant to an order dated 13th March 2024, passed by the Hon'ble Tribunal in Company Scheme Application No. C.A. (CAA) / 4 / MB / 2024, the Meeting of the Equity Shareholders of the Demerged Company, will be held for the purpose of their considering and, if thought fit approving, with or without modification(s), the said Scheme at the Registered Office of the Company at Plot No. B-27, and B-27/1, MIDC Hingna, Industrial Estate, Nagpur, Maharashtra, 440 016 on Thursday, 2nd May 2024 at 11 A.M. (IST). The Company is providing the facility to vote at the Meeting by ballot or polling paper and electronic means, i.e., remote e-Voting and e-Voting at the Meeting.
- ii. The scrutinizer appointed for conducting the ballot or polling paper and e-voting process will however submit his separate report to the Chairman of the Company after completion of the scrutiny of the ballot or polling paper including e-voting submitted / cast by the Public Shareholders so as to announce the results of the ballot or polling paper and e-voting exercised by the Public Shareholders of the Company. In terms of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through ballot or polling paper or e-voting) in favor of the resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it. Further, in accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the equity

shareholders, of the Company, voting in person or by proxy or by ballot or polling paper or e-voting, agree to the Scheme.

III. NEED FOR DEMERGER, AND RATIONALE AND BENEFITS OF THE SCHEME

- i. The 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 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 of Scheme) has different characteristics, risk, and rewards than the Remaining Business of the Company (defined in clause 1.17 of Scheme). Consequently, growth and expansion of the Manufacturing Business (defined in clause 1.13 of Scheme) 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 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 Company. Further the existing shareholders of the 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 Company or the Resulting Company.

IV. COST BENEFIT ANALYSIS OF THE SCHEME

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 III above.

V. IMPACT ON THE SHAREHOLDERS OF THE DEMERGED COMPANY

The Shareholders of the Demerged Company shall continue to hold the existing shares held by them in the Demerged Company post coming into effect of the Scheme. Also, upon the 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 of the 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'). The impact on shareholders of the Company is also captured in the Boards Report enclosed as **Annexure 9**.

VI. BACKGROUND OF THE COMPANIES:

A. Particulars of the Demerged Company/ Company (Emkay Taps and Cutting Tools Limited)

- (i) Emkay Taps and Cutting Tools Limited is a listed public limited company, originally incorporated as private limited company under the erstwhile provisions of the Companies Act, 1956 on 27th July 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 Company is (L29220MH1995PLC091091). The Registered Office of the Company is situated at Plot No. B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur – 440 016 in the State of Maharashtra. Its Permanent Account Number with the Income Tax Department is AAACE4308G. The email address of the Company is Companysecretary@emkaytaps.com and the website is www.etctl.com. During the last five years, there has been no change in the Name or Registered Office of the Company.

The equity shares of the Company are listed since August 13, 2015 on the SME Platform of National Stock Exchange of India Limited (NSE EMERGE).

(ii) The main objects of the Company are stated as under:

“

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

”

(iii) During the last five years, there has been no change in the main object clause of the Company.

(iv) The 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 Company is also engaged in the business of production of power through windmills located in Rajasthan and Karnataka

(v) The authorized, subscribed, and paid-up share capital of the Company as on 30th September 2023 was as under:

Particulars	Amount in (INR)
Authorised Capital	
1,20,00,000 Equity Shares of INR 10 each	12,00,00,000
TOTAL	12,00,00,000
Issued, Subscribed and Paid-up Capital	
1,06,71,300 Equity Shares of INR 10 each, fully paid up	10,67,13,000
TOTAL	10,67,13,000

(vi) The standalone financial results of the Company for the year ended 31st March 2023 are enclosed herewith as **Annexure 2**, and the standalone financial results of the Company, which have been subject to limited review, for the half year ended 30th September 2023, are annexed as **Annexure 3** to this Notice. The same is also available on the Company’s website at www.etctl.com and are available for inspection at the Registered Office of the Company.

- (vii) There are no winding up proceedings or any petitions admitted under the Insolvency and Bankruptcy Code, 2016 against the Demerged Company as of date.
- (viii) No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 against the Demerged Company as of date.
- (ix) The details of Promoters and Directors of the Company as on 30th September 2023 along with their addresses are mentioned herein below:

Promoter / promoter group details			
Name	Category	Address	
Ajayprakash Murlidhar Kanoria (HUF)	Promoter	C/o Ajayprakash Kanoria, Flat No 401/402, Mahalaxmi Apartment, Shivaji Nagar, Nagpur-440010, Maharashtra, India	
Ajayprakash Kanoria	Promoter	Flat No 401/402, Mahalaxmi Apartment, Shivaji Nagar, Nagpur-440010, Maharashtra, India	
Alka Ajayprakash Kanoria	Promoter	Flat No 401/402, Mahalaxmi Apartment, Shivaji Nagar, Nagpur-440010, Maharashtra, India	
Apoorvashree Kanoria	Promoter	Flat No 401/402, Mahalaxmi Apartment, Shivaji Nagar, Nagpur-440010, Maharashtra, India	
Nagpur Tools Private Limited	Promoter Group Company	Plot No. W-51C, MIDC Hingna Road, Nagpur, Nagpur, Maharashtra, India, 440016	
Adishree Engineering Pvt. Ltd.	Promoter Group Company	F-9/8, MIDC. Hingna Road, Nagpur, Maharashtra, India, 440018	

Details of Directors			
Name	DIN	Category	Address
Ajayprakash Kanoria	00041279	CEO and Managing Director	Flat No 401/402, Mahalaxmi Apartment, Shivaji Nagar, Nagpur-440010, Maharashtra, India
Alka Kanoria	00041346	Whole-time director	Flat No 401/402, Mahalaxmi Apartment, Shivaji Nagar, Nagpur-440010,

Details of Directors			
Name	DIN	Category	Address
			Maharashtra, India
Mahesh Ishwardas Mor	07151767	Director	Mor Bunglow No 3, Omkar Gaurav Complex , Hazaripahad, seminary Hills, Nagpur, 440006, Maharashtra, India
Ravindra Ramesh Loiya	07158487	Director	Flat No 401/402, Mahalaxmi Apartment, Shivaji Nagar, Nagpur-440010, Maharashtra, India
Palathayi Cheriath Ramchandran	07575222	Director	Flat No 401/402, Mahalaxmi Apartment, Shivaji Nagar, Nagpur-440010, Maharashtra, India

B. Particulars of the Resulting Company (Emkay Tools Limited)

- (i) Emkay Tools Limited 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 25th April 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. Its Permanent Account Number with the Income Tax Department is AAHCE5302K. The email address of the Resulting Company is investors@emkaytoolsltd.com and the website is www.emkaytoolsltd.com. Since incorporation, there has been no change in the Name or Registered Office of the Resulting Company. 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) pursuant to the Scheme of Arrangement.
- (ii) The main objects of the Resulting Company are stated as under:
- “
- To carry on the business of manufacturing, import, export, buy, sell and to deal in all kinds of high steel cutting tools, taps, rings and mills, reamers and other machine & cutting tools.*
- ”

- (iii) Since incorporation, there has been no change in the main object clause of the Resulting Company.
- (iv) The Resulting Company has been incorporated with an object of engaging in the business of manufacturing of threading taps and cutting tools.
- (v) The authorized, subscribed, and paid-up share capital of the Resulting Company as on 31st December 2023 was as under:

Particulars	Amount in (INR)
Authorised Capital 1,25,00,000 Equity Shares of INR 1 each	1,25,00,000
TOTAL	1,25,00,000
Issued, Subscribed and Paid-up Capital 1,00,000 Equity Shares of INR 1 each, fully paid up	1,00,000
TOTAL	1,00,000

- (vi) The audited standalone restated financial results of the Resulting Company for the period ended 31st December 2023, are annexed as **Annexure 4** to this Notice. The same are also for inspection at the Registered Office of the Resulting Company.
- (vii) There are no winding up proceedings or any petitions admitted under the Insolvency and Bankruptcy Code, 2016 against the Resulting Company as of date.
- (viii) No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 against the Resulting Company as of date.
- (ix) The details of Promoters and Directors of the Resulting Company as on 31st December 2023 along with their addresses are mentioned herein below:

Promoter / promoter group details		
Name	Category	Address
Emkay Taps and Cutting Tools Limited	Promoter	Plot No. B-27, and B-27/1, MIDC Hingna, Industrial Estate, Nagpur, Maharashtra, 440 016.

Details of Directors			
Name	DIN	Category	Address
Ajayprakash Kanoria	00041279	CEO and Managing Director	Flat No 401/402, Mahalaxmi Apartment, Shivaji Nagar, Nagpur-440010, Maharashtra, India
Alka Kanoria	00041346	Whole-time director	Flat No 401/402, Mahalaxmi Apartment, Shivaji Nagar, Nagpur-440010, Maharashtra, India
Mahesh Ishwardas Mor	07151767	Director	Mor Bunglow No 3, Omkar Gaurav Complex, Hazaripahad, seminary Hills, Nagpur, 440006, Maharashtra, India

VII. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are, inter-alia, as stated below. The capitalized terms used herein shall have the same meaning as ascribed to them in Part A of the Scheme:

A. The Scheme inter-alia provides for

- (i) The demerger of the Demerged Undertaking (defined in clause 1.9 of Scheme) 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 in the Scheme) of the Resulting Company to the shareholders of Emkay Taps And Cutting Tools Limited;
- (ii) Various other matters consequential, supplemental and / or otherwise integrally connected therewith.

B. The 'Appointed Date' of the Scheme means 1 April 2024 or such other date as may be determined by the appropriate authority.

C. The Scheme, as may be approved or imposed or directed by the Tribunal shall become effective from the Appointed Date but shall be operative from the Effective Date.

D. Consideration / share exchange ratio for demerger of the Demerged undertaking of the Company into the Resulting Company:

Upon the Scheme becoming effective and in consideration of the demerger of the Demerged Undertaking from the 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 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 Company (“Demerger Share Entitlement Ratio”).

E. Listing of the Equity shares of the Resulting Company

- (i) The Resulting Company shall apply to the Stock Exchanges (where the shares of Company are listed) and SEBI for listing and admission of all the equity shares of the Resulting Company to trading in terms of SEBI Circular read with other Applicable Laws (as amended from time to time). The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- (ii) The equity shares allotted pursuant to this Scheme shall remain frozen in the depository system till listing / trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of Resulting Company between Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.

VIII. RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME

The Company holds 100% of the issued, subscribed and paid-up equity share capital of the Resulting Company. The Resulting Company is a wholly owned subsidiary of the Company.

IX. BOARD APPROVALS

- A. The Board of Directors of the Company at its Board Meeting held on 29th June 2023, by resolution passed unanimously approved the Scheme, as detailed below:

Name of Director	Vote in favour/ against/ did not participate in vote
Ajayprakash Kanoria	In favour
Alka Kanoria	In favour
Mahesh Ishwardas Mor	In favour
Ravindra Ramesh Loiya	In favour
Palathayi Cheriath Ramchandran	In favour

- B. The Board of Directors of the Resulting Company at its Board Meeting held on 29th June 2023, by resolution passed unanimously approved the Scheme, as detailed below:

Name of Director	Vote in favour/ against/ did not participate in vote
Ajayprakash Kanoria	In favour
Alka Kanoria	In favour
Mahesh Ishwardas Mor	In favour

X. INTEREST OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMPs) AND THEIR RELATIVES

- A. None of the Directors, KMPs of the Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their shareholding in the Demerged Company, if any, or to the extent the said KMPs / Directors are the partners, directors, members of the companies, firms, association of persons, body corporates and/ or beneficiary of the trust that holds shares in the Demerged Company, as applicable. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives have any material interest in the Scheme. The Demerged Company has not issued any debentures and hence, does not have Debenture Trustee.
- B. None of the Directors, KMPs of the Resulting Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their shareholding in the Resulting Company, if any, or to the extent the said KMPs/ Directors are the partners, directors, members of the companies, firms, association of persons, body corporates and/ or beneficiary of the trust that holds shares in the Resulting Company, as applicable. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives have any material interest in the Scheme. The Resulting Company has not issued any debentures and hence, does not have Debenture Trustee.

XI. EFFECT OF THE SCHEME ON STAKEHOLDERS

The effect of the Scheme on various stakeholders is summarised below:

A. Shareholders (Promoter and Non-Promoter Shareholders)

The effect of the Scheme on the shareholders (promoter and non-promoter shareholders) of the Company and the Resulting Company are annexed in the attached reports i.e., **Annexure 9** and **Annexure 10**, respectively, adopted by the respective Board of Directors of the Company and the Resulting Company, at their meeting held on 29th June 2023, pursuant to the provisions of Section 232(2)(c) of the Act.

B. KMPs and Directors

- (i) The KMPs and Directors of the Company and Resulting Company shall continue to act as the KMPs and Directors of the Companies after the effectiveness of the Scheme. The KMPs and Directors who are shareholders of the Company will be allotted shares like the other shareholders of the Company.
- (ii) It is clarified that the composition of the Board of Directors of the companies may change by appointments, retirements or resignations or to ensure compliance of the provisions of the Act, SEBI Listing Regulations and Memorandum and Articles of Association of such companies but the Scheme itself does not affect the office of Directors of such companies.

C. Employees

Under the Scheme, no rights of the staff and employees of the Company and Resulting Company are being affected. The services of the staff and employees of the Manufacturing Business Undertaking of the Company and Resulting Company shall continue on the same terms and conditions prior to the proposed Scheme in case of transfer of employees as part of the Scheme. Further, under the Scheme, there is no arrangement with the staff or employees of the Resulting Company. Therefore, under the Scheme, no rights of the staff and employees of the Resulting Company are being affected.

D. Creditors

- (i) Pursuant to the Scheme, all creditors (secured or unsecured) of the Company forming part of the of the Demerged Undertaking will become creditors (secured or unsecured) of the Resulting Company, along with the assets on which charge is created in favor of Secured Creditors. The assets of the Resulting Company, after coming into effect of this Scheme, shall be sufficient to discharge its liabilities. The Resulting Company shall discharge the creditors in normal course of business.
- (ii) Under the Scheme, there is no arrangement with the creditors (secured or unsecured) of the Company and Resulting Company. No compromise is offered under the Scheme to any of the creditors of the companies.
- (iii) The liability of the creditors of the Company and Resulting Company, under the Scheme, is neither being reduced nor being extinguished.
- (iv) Accordingly, the creditors of the Company and Resulting Company would not be prejudiced in any manner as a result of the Scheme being sanctioned.

XII. NO INVESTIGATION PROCEEDINGS

There are no proceedings pending under section 210 to 227 of the Act against the Company and the Resulting Company.

XIII. AMOUNTS DUE TO CREDITORS

The amount due to secured creditors by the respective Companies, as on 30th September 2023 is as follows:

SN	Particulars	Amounts in INR
1	Emkay Taps and Cutting Tools Limited	4,37,37,037
2	Emkay Tools Limited	Nil

The amount due to unsecured creditors by the respective companies, as on 30th September 2023 is as follows:

SN	Particulars	Amounts in INR
1	Emkay Taps and Cutting Tools Limited	2,86,50,334/-
2	Emkay Tools Limited	2,61,159/-

XIV. DETAILS OF SHARE CAPITAL / DEBT RESTRUCTURING, IF ANY

- A. Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking of the Company into the Resulting Company, the Resulting Company shall issue 1,06,71,300 fully paid-up equity shares of INR 1 each to the equity shareholders of the Company.
- B. On the Scheme becoming effective, the equity shares of the Resulting Company held by the Company shall stand cancelled.
- C. The Scheme does not involve any debt restructuring and therefore the requirement to disclose details of debt restructuring is not applicable.

XV. VALUATION REPORT AND FAIRNESS OPINION

Background

- A. The Share Entitlement Ratio for the Scheme of Arrangement has been fixed on the basis of the Report on Recommendation of Share Entitlement Ratio dated 28th June 2023 issued by the Registered Valuer, Securities or Financial Assets

- B. For the purposes of valuation for the proposed demerger of the Demerged Undertaking from the Company to the Resulting Company and the following weights to the valuation methodologies have been provided:

Valuation approach	Manufacturing Business undertaking of Demerged Company	Demerged Company
Income Approach	NA	NA
Market Approach	NA	NA
Asset Approach	NA	NA
Exchange Ratio	1 : 1	

- C. A copy of Report dated 28th June 2023 on Recommendation of Share Entitlement Ratio for the proposed Scheme of Arrangement issued by the Registered Valuer – Securities or Financial Assets for Share Entitlement Ratio ('Valuation Report') are enclosed as **Annexure 11**.
- D. A copy of Fairness Opinion dated 29th June 2023 on the Share Entitlement Ratio received for the proposed Scheme of Arrangement issued by a SEBI Registered Merchant Banker ('Fairness Opinion') are enclosed as **Annexure 12**.

XVI. INFORMATION PERTAINING TO UNLISTED COMPANIES INVOLVED IN THE SCHEME IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS

Information pertaining to the unlisted companies involved in the Scheme, i.e. the Resulting Company in the format specified for abridged prospectus as provided in SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated 4 February, 2022 read with Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 along with certificates issued by a SEBI Registered Merchant Banker certifying the adequacy of disclosures are annexed as **Annexure 13**.

XVII. SHAREHOLDING PATTERN

- A. **The pre/ post-scheme shareholding pattern of the parties to the Scheme:**

- (i) **Demerged Company**

The pre & post scheme shareholding pattern of the Company is as follows:

Shareholding pattern	Pre-Scheme		Post-Scheme	
	Category	No. of Shares	% of Holding	No. of Shares

Promoter	80,01,300	74.98%	80,01,300	74.98%
Public	26,70,000	25.02%	26,70,000	25.02%

(ii) **Resulting Company**

The pre & post scheme shareholding pattern of the Resulting Company is as follows:

Shareholding pattern	Pre-Scheme		Post-Scheme	
	Category	No. of Shares	% of Holding	No. of Shares
Promoter	1,00,000	100%	80,01,300	74.98%
Public	--	--	26,70,000	25.02%

XVIII. AUDITORS CERTIFICATE ON CONFORMITY OF ACCOUNTING TREATMENT IN THE SCHEME WITH ACCOUNTING STANDARDS

The respective Statutory Auditors of the Company and the Resulting Company have confirmed that the accounting treatment in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles in India. The Certificate of Statutory Auditor certifying the accounting treatment for the Company and the Resulting Company are annexed as **Annexure 7 and Annexure 8**.

XIX. BRIEF HISTORY AND DETAILS OF ASSETS AND LIABILITIES OF DEMERGED UNDERTAKING TRANSFERRED TO THE RESULTING COMPANY

Brief History of Demerged Undertaking

The Demerged Undertaking consists of the Manufacturing Business viz. business of manufacturing, import, export, buy, sell and to deal in all kinds of high-speed steel cutting and threading tools, taps, rings and mills, reamers, other machine tools and other engineering

Over the years business has grown with customers in home market and also some customers in the export market. We have upgraded our machinery and equipment to State of the Art technology, which are used for manufacturing threading taps for various parts of the world. Over the years major developments have occurred in the automobile industry and in line with these developments, we have developed suitable changes from time to time for various customers of different levels. Our business has got wide acceptance and we are supplying various categories of taps to industries, including automobile and auto ancillaries, pump manufacturers, electrical fittings and other type of engineering industries, generator companies, etc.

Details of assets and liabilities of the Demerged Undertaking:

The indicative details of the assets and liabilities of the Demerged Undertaking which would be transferred to the Resulting Company as on 30th September 2023 are provided below:

Particulars	As on 30 th September 2023 (Amounts in INR)
A. <u>Equity and Liabilities</u>	
Reserves and surplus	47,77,67,494
Long Term Borrowings	Nil
Deferred Tax Liabilities (Net)	49,64,845
Short Term Borrowings	37,50,000
Trade Payable	2,73,73,315
Other Current Liabilities	5,12,35,490
Short Term Provisions	6,59,45,811
Total A	63,10,36,955
B. <u>Assets</u>	
Fixed Assets	12,79,38,005
Non-Current Investment	4,19,367
Long Term Loans and Advances	31,65,911
Inventories	17,46,91,531
Trade Receivables	22,81,10,779
Cash and cash equivalent	2,26,43,979
Advances with supplier	5,52,554
Loans and advances to staff	4,98,710
Other advances	39,55,650
Advances with revenue authorities	6,85,18,219
Other debit balances	5,42,250
Total B	63,10,36,955
Net-worth of the Demerged Undertaking as on September 30, 2023	47,77,67,494
Turnover of the Demerged Undertaking for half-year ended 30th September 2023	48,10,58,034
Turnover of the Demerged Undertaking for year ended 31st March 2023	87,33,61,161

Note – The amounts mentioned above are as on September 30, 2023, and are provided only for illustrative purposes. These amounts may change as on the Appointed Date of the Scheme i.e. April 1, 2024.

XX. DETAILS OF ASSETS AND LIABILITIES AND OF THE COMPANY PRE AND POST ARRANGEMENT

- A. The details of the assets, liabilities, and revenue of the Demerged Company Pre and Post Arrangement for the period ended 30th September 2023 are annexed hereto as **Annexure 5**.
- B. The details of the assets, liabilities, and revenue of the Resulting Company Pre and Post Arrangement are annexed hereto as **Annexure 6**.
- C. Copy of certificate issued by statutory auditors certifying the net-worth, along with assets and liabilities of both Demerged Company and Resulting Company pre and post scheme of arrangement is enclosed herewith as **Annexure 14**.

XXI. COMPARISON OF REVENUE AND NET WORTH OF DEMERGED UNDERTAKING WITH THE TOTAL REVENUE AND NET WORTH OF THE LISTED/DEMERGED ENTITY IN LAST THREE FINANCIAL YEARS.

Amounts in INR Crores

Particulars	Financial Year	Net Worth	% of total	Turnover	% of total	Profit after tax	% of total
Demerged Division	2022-23	46.22	20.46%	87.33	83.15%	31.55	71.51%
	2021-22	32.30	17.84%	70.21	82.92%	26.41	74.92%
	2020-21	36.20	24.84%	55.20	84.11%	17.26	72.46%
Other Division	2022-23	179.70	79.54%	17.70	16.85%	12.57	28.49%
	2021-22	148.71	82.16%	14.46	17.08%	8.84	25.08%
	2020-21	109.55	75.16%	10.43	15.89%	6.56	27.54%
Total	2022-23	225.92	100%	105.03	100%	44.12	100%
	2021-22	181.01	100%	84.67	100%	35.25	100%
	2020-21	145.75	100%	65.63	100%	23.82	100%

XXII. IMPACT OF ARRANGEMENT ON REVENUE GENERATING CAPACITY OF THE COMPANY

- A. The business presently undertaken by the Company (directly and indirectly) comprises of the manufacturing business and the non-manufacturing business both of which have different requirements and are operated independent of each other as separate business verticals.
- B. The segregation of the Demerged undertaking would not impact the revenue generating capacity of the remaining business of the Company related to the non-manufacturing business. Further, the demerger would unlock value of each business vertical of the Company thereby enhancing its

business operations with more efficient management control and independent strategies thus positively impacting its revenue generating capacity of the non-manufacturing business.

XXIII. IMPACT OF ONGOING DISPUTE BETWEEN PROMOTERS OF THE COMPANY ON THE SCHEME AND FUTURE PROSPECTS OF THE COMPANY AND THE RESULTING COMPANY/ TRANSFEREE COMPANY

There are no ongoing disputes between promoters of the Company and Resulting Company.

XXIV. APPROVALS AND INTIMATIONS IN RELATION TO THE SCHEME

- A. In terms of Regulation 37 of the SEBI Listing Regulations read with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June 2023 ('SEBI Master Circular'), NSE, by its Observation Letters dated 22nd September 2023, have conveyed 'no adverse observations / no-objection' on the Scheme. Copies of the said letter issued by NSE is annexed hereto as **Annexure 15**. Further, in terms of the said SEBI Master Circular, the Company has not received any complaint relating to the Scheme and 'NIL' complaints reports were filed by the Company with NSE, copy of which is annexed hereto as **Annexure 16**. A copy of compliance report filed by the Company with NSE is enclosed herewith as **Annexure 17**. As per the requirements of above Observation Letters, details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken against the Company, its promoters and directors are annexed hereto as **Annexure 18**.
- B. The Demerged Company and the Resulting Company are required to seek approvals / sanctions / observations from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director and other relevant authorities will obtain the same at the relevant time.
- C. The notice of the Meeting along with the copy of the Scheme in the prescribed form, will be served on all concerned authorities in terms of the Tribunal Order.
- D. All approvals as stated in Clause 18 (Scheme Conditional On Approvals/ Sanctions) of the Scheme, in order to give effect to the Scheme will be obtained. Additionally, the Demerged Company and the Resulting Company will obtain such approvals / sanctions / no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, as may be required.

XXV. INSPECTION OF DOCUMENTS

In addition to the documents annexed hereto, the electronic copy of following documents will be available for inspection in the investors section of the website of the Company at www.etctl.com:

- A. Audited Financial Statements of the Demerged Company for the year ended 31st March 2023;
- B. Standalone financial results of the Demerged Company, which have been subjected to limited review for the half year ended 30th September 2023;
- C. Audited Financial Statements of the Resulting Company for the period ended 31st December 2023;
- D. Copy of the Tribunal Order;
- E. Copy of the Scheme of Arrangement;
- F. Contracts or agreements material to the Scheme,
- G. Certificate of the Statutory Auditor of the Company, confirming that the accounting treatment prescribed under the Scheme is in compliance with Section 133 of the Act and other Generally Accepted Accounting Principles in India;
- H. Memorandum and Articles of Association of the Company and the Resulting Company;
- I. Report on Recommendation of Share Entitlement Ratio issued by the Registered Valuer – Securities or Financial Assets;
- J. Fairness opinion on share entitlement ratio issued by the SEBI Registered Merchant Banker;
- K. Pre and Post Demerger Capital Structure and Shareholding Pattern of the Resulting Company, Memorandum and Articles of Association of the Demerged Company and the Resulting Company;
- L. Register of Director's Shareholding;
- M. Observation letter dated 22nd September 2023 issued by NSE;
- N. Report of the Board of Directors of the Company and the Resulting Company pursuant to Section 232(2)(c) of the Act;
- O. Report of the Audit Committee and Committee of Independent Directors of the Company recommending the Scheme;

- P. Complaint report submitted by the Company to NSE;
- Q. All other documents displayed on the Demerged Company's website i.e., www.etctl.com in terms of the SEBI Master Circular;
- R. All other documents referred to or mentioned in the Statement to this Notice.

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company recommend the Scheme for approval of the Equity Shareholders.



Vipul Joshi

Chairperson appointed by the Tribunal for the Meeting

Date: 27th Day of March 2024

Place: Nagpur

Registered Office:

Emkay Taps and Cutting Tools Limited,

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

MIDC Hingna, Industrial Estate,

Nagpur, Maharashtra, 440 016

CIN: L29220MH1995PLC091091

Tel: 91-9226071464

E-mail: investors@etctl.com Website: www.etctl.com



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

AS approved by the Board,
For EMKAY TAPS AND CUTTING TOOLS LTD.

Page 1 of 51


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 relating 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 relating 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)
Authorised Share Capital	
1,20,00,000 Equity Shares of INR 10/- each	12,00,00,000
Total	
Issued, subscribed and paid-up Share Capital	
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)
Authorised Share Capital	
1,25,00,000 Equity Shares of INR 1/- each	1,25,00,000
Total	1,25,00,000
Issued, subscribed and paid-up Share Capital	
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.

CONFIDENTIAL



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

FRANKY TAPS AND CUTTING TOOLS LTD.







Chairman, Managing Director & CEO

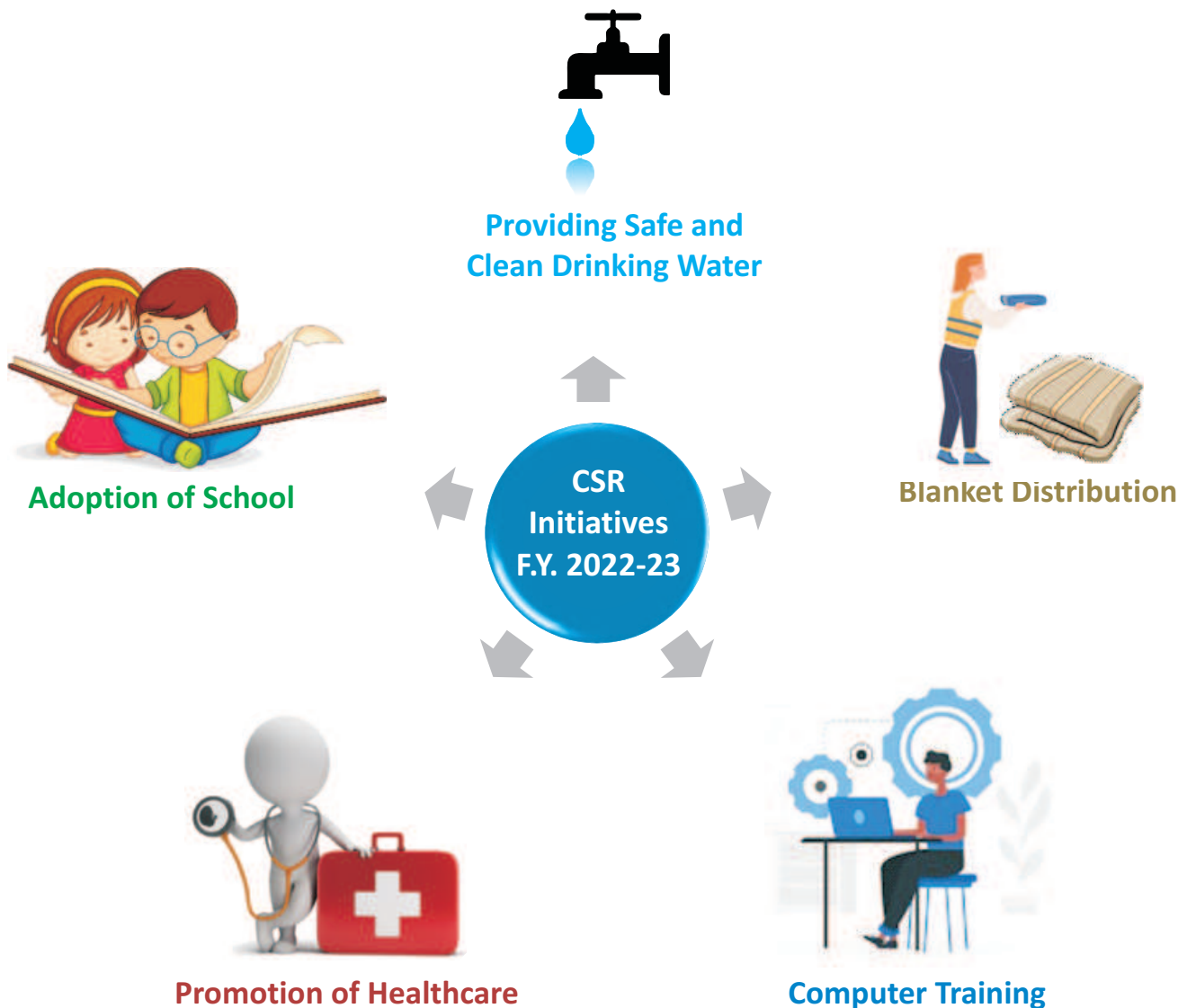


Emkay Taps And Cutting Tools Ltd.

Annual Report 2023

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Corporate Information

Board of Directors

Chairman, Managing Director & CEO

Mr. Ajayprakash Kanoria

Whole-time Director

Mrs. Alka Kanoria

Independent Non-Executive Director

Mr. Mahesh Mor
Mr. Ravindra Loiya
Mr. P.C. Ramchandran

Chief Financial Officer

Mr. Vishnu K. Sontakke

Company Secretary & Compliance Officer

Ms. Shruti Sohane

Auditor's

Statutory Auditor

P. S. Thakare & Co.
Chartered Accountants
Indo Unique Plaza, Opp Bole Petrol Pump,
VIP Road, Civil Lines, Nagpur 440001
Tel. : 0712 - 2520280, 6466032
Email : psthakare20@gmail.com,
thakareps@rediffmail.com

Secretarial Auditor

M/s H. Roshan & Associates
Company Secretaries
Grd. Floor, Business Plaza,6,Farmland,
Central Bazaar Road, Lokmat Square,
Nagpur-440010
Tel. No.: +91-712-2456607
Email: mcagsb83@gmail.com

Correspondence Details for Investors

Bigshare Services Pvt. Ltd.
Registrar & Transfer Agent
E/23 Ansa Industrial Estate,
Sakhivihar Road,Sakinaka, Andheri (East),
Mumbai – 400 072,Maharashtra
Tel. No.: 022- 40430262
Website:www.bigshareonline.com

Emkay Taps And Cutting Tools Ltd.
Compliance Officer
B-27/B-27/1, M.I.D.C Hingna,
Industrial Estate,Nagpur-440016
Tel.: 07104-237584,
Email:investors@etctl.com
Website: www.etctl.com

Bankers

ICICI Bank Ltd.
Bank of Maharashtra
HDFC Bank Ltd.

Committees*

Audit Committee
Nomination & Remuneration Committee
Stakeholders Relationship Committee
CSR Committee
Management Committee

Stock Exchange

National Stock Exchange
"SME EMERGE"

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

NOTICE OF 28TH ANNUAL GENERAL MEETING

Dear Member(s),

Notice is hereby given that the Twenty-Eighth Annual General Meeting of the Members of Emkay Taps and Cutting Tools Limited is scheduled to be held on **Monday September 18, 2023 at 11.30 AM** at the Registered Office of the Company i.e. Plot no. B-27/B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur-440016, Maharashtra to transact the following business(s):

ORDINARY BUSINESS:

1. To consider and adopt the Audited financial statements of the Company for the year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors' thereon.
2. To consider re-appointment of Mr. Ajayprakash Kanoria (DIN: 00041279), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment. For details of Director seeking re-appointment at the Annual General Meeting please refer Annexure - IB to the Notice.
3. To appoint Statutory Auditors of the Company and to fix their remuneration; For Brief Profile of the Auditor recommended by the Board refer Annexure-IC.

Consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, Section 142 and other applicable provisions of the Companies Act, 2013, and rules made there under, as amended from time to time, M/s P.S. THAKARE & Co., Peer Reviewed Chartered Accountants from Nagpur be and is hereby appointed as the Statutory Auditor for 2nd term of five financial years starting from F.Y. 2023-24 TO F.Y. 2027-28 i.e. from the conclusion of 28th AGM till the conclusion of 33rd AGM of the Company and Directors of the Company be and is hereby authorized to fix their remuneration from time to time in consultation with the Audit Committee of the Board;

RESOLVED FURTHER THAT Mr. Ajayprakash Kanoria, Chairman, Managing Director & CEO of the Company be and is hereby authorised to file necessary form with Registrar of Companies and to do all such act, deeds and things as may be considered necessary to give effect to the above said resolution."

SPECIAL BUSINESS:

4. Re-Appointment of Mr. Ajayprakash Kanoria as Managing Director of the Company; For Brief Profile of Managing Director refer Annexure - ID.

To Consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other consents and permission as may be necessary, variations as may be approved and acceptable by the Members of the Company, approval be and is hereby accorded for the re-appointment of Mr. Ajayprakash Kanoria (DIN: 00041279) as Managing Director of the Company, for a period of 5 (five) years with effect from April 1, 2024 to March 31, 2029 with existing terms and conditions of remuneration i.e. payment of remuneration of 5% of net profit calculated in accordance with Section 198 of the Act, subject to remuneration of INR 3,00,000.00 (Indian Rupees Three Lakhs Only) per month plus 3% of net profit subject to maximum of 5% of net profit (calculated as per section 198 of the Companies Act, 2013, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Ajayprakash Kanoria, whose office will be liable to determination by retirement by rotation;

RESOLVED FURTHER THAT the Board of Directors, be and is hereby also authorized to take such steps, actions and do things, deeds, matters as may be required or are necessary so as to give effect to this Resolution."

5. Re-Appointment of Mrs. Alka Ajayprakash Kanoria as Whole-time Director of the Company; For Brief Profile of Whole-time Director refer Annexure - ID.

To Consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other consents and permission as may be necessary, variations as may be approved and acceptable by the Members of the Company, approval be and is hereby

accorded for the re-appointment of Mrs. Alka Ajayprakash Kanoria (DIN: 00041346) as Whole-time Director of the Company, for a period of 5 (five) years with effect from April 1, 2024 to March 31, 2029 with existing terms and conditions of remuneration i.e. payment of remuneration of 5% of net profit calculated in accordance with Section 198 of the Act, subject to remuneration of INR 1,00,000.00 (Indian Rupees One Lakhs Only) per month plus 2% of net profit subject to maximum of 5% of net profit (calculated as per section 198 of the Companies Act, 2013, with authority

to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mrs. Alka Ajayprakash Kanoria, whose office will be liable to determination by retirement by rotation;

RESOLVED FURTHER THAT the Board of Directors, be and is hereby also authorized to take such steps, actions and do things, deeds, matters as may be required or are necessary so as to give effect to this Resolution."

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

Nagpur, Friday, August 25, 2023

 Shruti Sohane

Company Secretary & Compliance Officer

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of her/him and a proxy need not be a member of the Company. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
2. Proxy form, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. Corporate Members intended to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members, Proxies and Authorised Representatives are requested to bring to the meeting their copy of Annual Report, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
5. In accordance with the provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain close from Friday, September 15, 2023 to Monday September 18, 2023 (both days inclusive).
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents Bigshare Services Pvt. Ltd. to provide efficient and better services.
7. To support the 'Green Initiative' and pursuant to MCA and SEBI circular the Notice of the AGM along with the Annual Report 2022-23 is being sent by electronic mode only to all the Members whose e-mail addresses are registered with the Company / Depositories. For Members who have not registered their e-mail addresses, may register on <https://www.bigshareonline.com/InvestorRegistration.aspx> and request to get the same on their respective email address(s). Also, members are requested to note that this Notice and the Annual Report 2022-23 will also be available on the Company's website viz., www.etctl.com
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website <https://etctl.com/nomination/>. Members are requested to submit the said form to their DP in case the shares are held in electronic form.
9. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to



claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

10. Explanatory Statement for special business forms integral part of this notice and is attached herewith.
11. Brief resume of Directors seeking appointment/ reappointment including nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership /chairmanship of Board Committees, as stipulated under the provisions of SEBI (LODR), Regulations, 2015, is given in "Annexure ID".
12. THE INSTRUCTIONS FOR MEMBERS FOR VOTING ON THE DAY OF THE 28th AGM ARE AS UNDER:
 1. Members/ shareholders, who will be present in the 28th AGM shall be eligible for voting either themselves or through proxy by poll as suggested by the Board of Directors.
 2. M/s H.Roshan & Associates, Practising company secretaries from Nagpur has been appointed as the scrutinizer to conduct & scrutinize the voting at the 28th AGM.
2. As per Notification issued by Ministry of corporate Affairs dated March 19, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter IX as per SEBI (ICDR) Regulations, 2018 will be exempted from E-voting provisions. Company is covered under Chapter IX and is listed on SME platform of NSE EMERGE. Hence, company is not providing E-voting facility to its shareholders.
13. As per the Notification issued by SEBI dated September 2, 2015 under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the compliance with the corporate Governance Provisions under the provisions of SEBI (LODR), Regulations, 2015 shall not apply in respect of the Listed Entity which has listed its specified securities on the SME Exchange, however, the company has voluntarily prepared and presented the annual corporate governance compliance report for F.Y. 2022-23.
14. The Company intends to convene 28th Annual General Meeting in compliance with applicable provisions of the Companies Act, 2013 read with General Circular No. General Circular No. 20/2020 dated 05.05.2020 and General circular No. 10/2022 dated 28.12.2022 and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 20 and SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05.01.2023.
15. Map for 28th AGM venue is given at the end of this Annual Report.



Annexure - IA

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.: 4

Mr. Ajayprakash Kanoria had been appointed as Managing Director of the Company on July 17, 2008 and further his terms had been revised for a period of 5 years with effect from 1st April, 2014 pursuant to provisions of Companies Act, 2013. The existing term of appointment of Mr. Ajayprakash Kanoria, Managing Director of the Company which commenced from April 01, 2019 expires on March 31, 2024. The Board of Directors, at its meeting held on August 25, 2023, subject to the approval of the Members, has considered and approved the re-appointment of Mr. Ajayprakash Kanoria as Managing Director of the Company, liable to retire by rotation, for a period of 5 (Five) years with effect from April 1, 2024 to March 31, 2029.

Further based on the result of the performance evaluation and the needs of the Company, the Nomination and Remuneration Committee of the Board has recommended that his continued association as Managing Director, would be of immense benefit to the Company and it is desirable to continue to avail his services as the Managing Director of the Company. Therefore, the Board proposes to seek approval of the Members of the Company, on the following terms and conditions including remuneration:

- | | | |
|-----------------------------|---|--|
| a. Designation | : | Managing Director |
| b. Remuneration | : | INR 3,00,000/- per month plus 3% of the Net Profit
subject to maximum of 5% of net profit |
| c. Revision of remuneration | : | Revision may be considered by the Board from time to time subject to limits set out in the Companies Act, 2013 and Schedule V thereof. |

Ajayprakash Kanoria is not disqualified from being re-appointed as a Managing Director of the Company in terms of Section 164 of the Act.

Brief profile along with other particulars of Mr. Ajayprakash Kanoria, as required under provisions of Regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

Mr. Ajayprakash Kanoria is a husband of Mrs. Alka Kanoria, Whole-time Director of the Company.

Approval of Members is solicited for re-appointment and payment of remuneration to Mr. Ajayprakash Kanoria, as Managing Director, in terms of applicable provisions of the Act.

The Directors recommend the resolution as set out at Item No. 4 of the accompanying Notice for the approval of Members.

Except, Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria, and their relatives, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested in the said resolution.

Item No.: 5

Mrs. Alka Kanoria had been appointed as Whole-time Director of the Company on and further his terms had been revised for a period of 5 years with effect from 1st April, 2014. The existing term of appointment of Mrs. Alka Kanoria, Whole-time Director of the Company which commenced from April 01, 2019 expires on March 31, 2024. The Board of Directors, at its meeting held on August 25, 2023, subject to the approval of the Members, has considered and approved the re-appointment of Mrs. Alka Kanoria as Whole-time Director of the Company, liable to retire by rotation, for a period of 5 (Five) years with effect from April 1, 2024 to March 31, 2029.

Further based on the result of the performance evaluation and the need of the Company, the Nomination and Remuneration Committee of the Board has recommended that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as the Whole-time Director of the Company. Therefore, the Board proposes to seek approval of the Members of the Company, on the following terms and conditions including remuneration:

- a. Designation : Whole-time Director
- b. Remuneration : INR 1,00,000/- per month plus 2% of the Net Profit
subject to maximum of 5% of net profit
- c. Revision of remuneration : Revision may be considered by the Board from time to time subject to limits set out in the Companies Act, 2013 and Schedule V thereof.

Mrs. Alka Kanoria is not disqualified from being re-appointed as a Whole-time Director of the Company in terms of Section 164 of the Act.

Brief profile along with other particulars of Mrs. Alka Kanoria, as required under provisions of Regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

Mr. Alka Kanoria is wife of Mr. Ajayprakash Kanoria, Managing Director of the Company.

Approval of Members is solicited for re-appointment and payment of remuneration to Mrs. Alka Kanoria, as Whole-time Director, in terms of applicable provisions of the Act.

The Directors recommend the resolution as set out at Item No. 8 of the accompanying Notice for the approval of Members.

Except, Mrs. Alka Kanoria and Mr. Ajayprakash Kanoria, and their relatives, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested in the said resolution.

* * * *

Annexure - IB

Details of Director seeking re-appointment at the 28th Annual General Meeting

Name	: Ajayprakash Kanoria
DIN No.	: 00041279
Date of Birth	: May 13, 1957
Appointed on	: 27/07/1995*
Qualifications	: Bachelor of Commerce, CA(Intermediate)
Brief Profile	: Mr. Ajayprakash Kanoria aged about 66 years was born and brought up at Nagpur and he is a commerce graduate and CA Inter by qualification. He is Chairman and managing director in Emkay Taps and Cutting Tools Limited and has an experience of around 43 years. He got his technical experience from his father when he joined his family business. With his strategic planning and strong business development attitude he has contributed a lot towards the growth of company. He functionally handles the overall business affairs of the company. He is very particular about the Quality of product right from beginning which is very well appreciated by all customers.
Directorship held in other Public (excluding private companies)	: None
Membership/Chairmanship Of Committees in other Companies	: None
No of Shares held in the Company (as on date)	: 628050 shares
Relationship with other directors	: Husband of Mrs. Alka Kanoria, Whole-time Director of the Company

**Appointed as Chairman and Managing Director of the Company as on July 17, 2008, also his tenure as Chairman and Managing Director is fixed for further term of 5 Years w.e.f April 1, 2019, appointed as CEO of the Company w.e.f. August 18, 2018 and as per the Articles of Association of the Company is liable to retire by rotation under Section 152(6) of the Companies Act, 2013.*

* * * *

Annexure - IC

Brief Profile of the Audit Firm recommended by the Board for appointment as the Statutory Auditor

(For Appointment as Statutory Auditor of Listed Company under the Provisions of Companies Act, 2013 and SEBI (LODR) Reg., 2015)

1. **Name of Auditor Firm: P. S. Thakare & Co.**
2. Address of the Auditor's Firm: Indo Unique Plaza, Opp Bole Petrol Pump, VIP Road, Civil Lines, Nagpur 440001
3. Category of Auditor: Partnership Firm
4. Membership number of Auditor's Firm's Registration number: 128572W
5. Whether the appointment of auditor is within the limits of twenty companies as specified in sub Section 3(g) of Section 141: Yes
6. Whether the auditor/auditor firm is eligible under Sec. 141 of the CA, 2013: Yes
(Eligibility and consent for appointment as statutory auditor dated 15th May 2023 given to the Board.)
7. Whether the auditor or auditor firm has been subject to peer review examination of ICAI, Delhi : Yes
8. Brief profile of the Firm:

Founded in 1982 by Late CA P. S. Thakare, P. S. Thakare & Co. has grown to become one of Maharashtra's leading firms of Chartered Accountants, located in Mumbai and Nagpur, our offices are easy to access and thrive in the most active business areas. We are committed to creating value for clients by delivering exceptional services, building strong relationships, and providing valuable advice.

Our services include consultancy for State and Central Government subsidies, audit, accounting, tax, internal audit, company secretarial, business consultancy and corporate finance. Our client base spans across several large sized multinational companies, small to medium sized companies and even proprietor owned businesses. Our clientele represents industry sectors such as steel and power, cement, textile, technology, food processing, defence, consumer appliances, automobiles, aluminium, industrial machinery, and healthcare. We specialise in advising clients about availing State and Central Government subsidies to new and expansion units in Maharashtra. We boast an extremely strong portfolio of clients who have availed our services across Maharashtra.



Annexure - ID
Details of Director seeking re-appointment at the 28th Annual General Meeting

Name	: AJAYPRAKASH KANORIA
DIN No.	: 00041279
Date of Birth	: May 13, 1957
Appointed on	: July 27, 1995*
Qualifications	: Bachelor of Commerce, CA(Intermediate)
Brief Profile	: Mr. Ajayprakash Kanoria aged about 66 years was born and brought up at Nagpur and he is a commerce graduate and CA Inter by qualification. He is Chairman and managing director in Emkay Taps and Cutting Tools Limited and has an experience of around 43 years. He got his technical experience from his father when he joined his family business. With his strategic planning and strong business development attitude he has contributed a lot towards the growth of company. He functionally handles the overall business affairs of the company. He is very particular about the Quality of product right from beginning which is very well appreciated by all customers.
Directorship held in other Public (excluding private companies)	: None
Membership/Chairmanship Of Committees in other Companies	: None
No of Shares held in the Company (as on date)	: 6,28,050
Relationship with other directors	: Husband of Mrs. Alka Kanoria, Whole-time Director of the Company

**Appointed as Chairman and Managing Director of the Company as on July 17, 2008, also his tenure as Chairman and Managing Director is fixed for 5 Years w.e.f April 1, 2019, appointed as CEO of the Company w.e.f. August 18, 2018 and as per the Articles of Association of the Company is liable to retire by rotation under Section 152(6) of the Companies Act, 2013.*

Name	: ALKA AJAYPRAKASH KANORIA
DIN No.	: 00041346
Date of Birth	: August 05, 1959
Appointed on	: 15/12/2000*
Qualifications	: Bachelor's Degree of Science
Brief Profile	: Mrs. Alka Ajayprakash Kanoria presently designated as the Whole-time Director of the Company. With her strong management skills, she handles the administrative office in a very planned and systematic manner. She was appointed as the Director of our Company on December 15, 2000 and designated at current position w.e.f. July 17, 2008.
Directorship held in other Public (excluding private companies)	: None
Membership/Chairmanship Of Committees in other Companies	: None
No of Shares held in the Company (as on date)	: 11,24,190
Relationship with other directors	: Wife of Mr. Ajayprakash Kanoria, Chairman, Managing Director & CEO of the Company.

**Appointed as Whole-time Director of the Company as on December 12, 2000 and her tenure as Whole-time Director is fixed for 5 Years w.e.f April 1, 2019 and as per the Articles of Association of the Company is liable to retire by rotation under Section 152(6) of the Companies Act, 2013.*

DIRECTOR'S REPORT

Dear Shareholders,

Your Board of Directors is pleased to present the 28th Annual Report for the financial year 2022-23, together with the Standalone Audited Financial Statements for the year ended on March 31, 2023.

Financial Highlights:

Particulars	Amount in Crores (INR)	
	F.Y. 2023	F.Y. 2022
Total Revenue from Operations	88.62	70.81
Other Income	16.42	13.87
Total Expenditure (excl. depreciation, interest and tax)	45.16	37.24
Profit before depreciation, interest and tax	59.88	47.44
Less: Interest	0.14	0.11
Less: Depreciation and amortization expense	3.11	3.33
Profit before tax	56.63	44.00
Less: Net tax expense	12.50	8.74
Profit for the year	44.13	35.26
Add: Surplus carry forward from the last year Balance sheet	164.24	128.98
Balance carried over to Balance Sheet	208.37	164.24
Earnings Per share (INR)	41.35	33.04

Results of Operations

The total revenue from operation for the F.Y. 2022-23 is INR 8,861.57 lakh marking increase of 25.15% to last year's operational revenue generation of INR 7,080.67 lakh. The company has earned Profit before depreciation, Interest and Taxes (PBDIT) of INR 5987.67 lakh during the financial year under review over the previous financial year's PBDIT of INR 4744.29 lakh. The profit after tax for the financial Year 2022-23 was INR 4412.78 as against profit after tax of INR 3525.91 lakh for the financial year 2021-22.

Amidst adverse global economic difficulties, the company was able to secure satisfactory growth in the national and international business during the year under review. The Company managed well to navigate the challenges ahead and gain market share.

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

◆ Taps and Cutting Tools

During the year under review, the turnover for Taps and Cutting Tools segment has increased by 24.39% from the last financial year. Cutting Tools Industry plays a major role in production of automobiles, which includes 2 wheelers, 4 wheelers and heavy commercial vehicles. Apart from automobiles, there are many ancillaries to supply to these auto companies and also expanding their capacities for exports.

◆ Wind Power

The company has two wind farm projects one at Shivapura Kavalu Village, Belur Taluka, Hassan District in Karnataka and the

other at Kita & Ugawa District, Jaisalmer in Rajasthan, both are developed and maintained by Suzlon Energy Limited and Enercon (India) Limited respectively. The combine contribution of the two wind farm projects to the gross revenues in the F.Y. 2022-23 was INR 149.49 lakh from the power sale during the year under review.

Share Capital

The paid-up equity share capital as on 31st March 2023 was 10671300 equity shares of INR 10/- each (Rupee Ten only) amounting to total of INR 10,67,13,000. The Company has not issued any shares with differential voting rights or granted stock options or sweat equity or through any other permissible mode during the FY 2022-23.

Dividend

Your Board of Directors did not recommend dividend for the year under review.

Transfer to Reserve

The Company has not transferred any amount to any reserve during the year under review.

Material changes / developments during the year:

There are no material changes and development affecting the financial position of the Company which has occurred during the Financial Year ended on 31st March 2023.

Material Changes / Events after the date of balance Date

Proposed Scheme of Arrangement - Demerger of Manufacturing Undertaking

Your Board of Directors in their meeting held on June 29, 2023 has approved the Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("the Demerged Company") and Emkay Tools Limited ("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. An application under Regulation 37 of the SEBI (LODR) Regulations, 2015 for the proposed Scheme of Arrangement has been submitted to National Stock Exchange of India Limited ("NSE" or "the Stock Exchange") and Securities Exchange Board of India (SEBI) through the Stock Exchange for obtaining their Observation Letter(s) (NOC) to file the Scheme for seeking approval of NCLT.

Change in the nature of business

During the year under review, there is no change in the nature of business of the company.

Deposits

During the year under review, the Company did not accept any deposits from the public within the ambit of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013

Pursuant to Section 186 of the Companies Act, 2013, the details of the Loans given, guarantees on securities provided and investments made are as under:

- ◆ Loans given: Nil
- ◆ Guarantees provided: NIL
- ◆ Investment Made: Details regarding investment made during the period under review are given in the Note No. 13 to the financial statement. for F.Y. 2022-23

Subsidiary, Associate and Joint Venture

The Company does not have any Associate and Joint Venture Company during the year under review. However, the Board of Directors in their meeting held on March 30, 2023 has decided to incorporate a wholly owned Subsidiary with an authorized capital of INR 15,00,000/-, which has been subsequently increased to INR 1,25,00,00/-, and a paid up capital of INR 1,00,000/-. Emkay Tools Limited, a Wholly Owned Subsidiary has been incorporated by Registrar of Companies, Maharashtra Mumbai on April 25, 2023.

Corporate Governance

The Company has taken all necessary steps to implement the provisions of the Regulations and detailed Corporate Governance Report for the F.Y. 2022-23 forms integral part of this Annual Report.

Management Discussion and Analysis [MDA]

Management Discussion and Analysis, for the year under review, as stipulated under Regulation 34 (2) (e) of SEBI (LODR), 2015, is

presented in a separate section forming integral part of this Annual Report.

Related party transactions

All contracts/ arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company. An "Annexure A- Form AOC-2" on Related Party disclosures for the year under review, form part of this Annual Report.

Extract of Annual Return

In accordance with section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual Return is available on www.etctl.com

Board Meetings

During the year under review 05 (five) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

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

Committees

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

Directors and Key Management Personnel

I. Retirement by Rotation

In accordance with the provisions of section 152[6] of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Ajayprakash Kanoria (DIN: 00041279) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board recommends him reappointment by the members at the ensuing AGM.

II. Profile of the Directors seeking Appointment / Reappointment

As required under Regulation 36 (3) of SEBI (LODR), 2015, particulars of the Directors retiring by rotation and seeking appointment / reappointment at the ensuing Annual General Meeting is annexed to the notice convening 28th Annual General Meeting.

III. Re-appointment of Managing Director and Whole time Director

In accordance with the provisions of section 196[2] of the Companies Act, 2013 Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria has been reappointed as Managing Director and Whole-time Director respectively, to be effective from 1st April, 2024 for 5 years till 31st March, 2029 by the Board of Directors in their meeting held on August 25, 2023 subject to approval of Members of the Company at this annual general meeting.

IV. Key Managerial Personnel

Pursuant to Section 2(51) and Section 203 of the Companies, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following are the Key Managerial Personnel and during the year there was no change in KMP's of the Company;

- ◆ Mr. Ajayprakash Kanoria - Chairman, Managing Director & Chief Executive Officer (CEO)
- ◆ Mrs. Alka Kanoria - Whole-time Director
- ◆ Mr. Vishnu Sontakke - Chief Financial Officer (CFO)
- ◆ Ms. Shruti Sohane - Company Secretary & Compliance Officer

V. Board Evaluation

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

The Policy for Evaluation of Performance of the Board of Directors was formulated by Nomination and Remuneration Committee of the Board of Directors and same has been approved and adopted by the Board of Directors in their Meeting held on February 24, 2023.

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

this Report. Also, the Policy for Evaluation of Performance of the Board of Directors is available on the website of the Company, for reference visit www.etctl.com.

VI. Declaration by Independent Directors

The Independent Directors have submitted their declarations of independence, as required pursuant to the provisions of section 149(7) of the Act, stating that they meet the criteria of independence as provided in section 149[6].

VII. Familiarization Program for Independent Directors

With the commencement of SEBI (LODR) Regulation, 2015 w.e.f. December 2, 2015 the listed entity is required to conduct the program for the new joining director of the company to get him/her familiarized with the company. No new Director joined the Board of the Company during the year under review; hence no such program has been conducted during the FY 2022-23.

VIII. Policies

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

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

Key policies that have been adopted by the Company are available on www.etctl.com

POLICY NAME	BRIEF DESCRIPTION
Insider Trading Policy	The Company has adopted the Code of Conduct to regulate, monitor and report trading by insiders and Code of fair disclosure of unpublished price sensitive information for the Directors, KMP and other designated officers and connected persons of the Company.
Code of Conduct	The Company has formulated and adopted Code of Conduct for the Senior Management and officers of the Company.
Policy on Vigil Mechanism (Whistleblower Policy)	The Company has adopted the Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.
CSR Policy	The company believes in the Philosophy of moving together and growing together. The Directors have adopted policy on CSR to spend as required under the Companies Act, 2013 for activities those are benefiting to the Society as a Whole.
Nomination & Remuneration Policy	As required under the provisions of the Companies Act, 2013 Board of Directors has adopted policy for appointment of the Director and for determination of remuneration payable to them.
Policy for Determination of Materiality of Event or Information	This policy has been formulated by the Board of Directors deals with the determination of materiality of the Event/ Information and its dissemination to the Stakeholders at large.
Archival Policy	This policy is for retention and preservation of documents and records of the Company.
Prevention of Sexual Harassment at workplace policy	This policy has been formulated define the guidelines and the process to be followed in order to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment in addition to the matters connected therewith or incidental thereto.
Policy for Evaluation of Performance of the Board of Directors	The company has formulates this policy for annual performance evaluation of the Directors individually as well as its committees has been carried out by the Board in compliance of SEBI (LODR) Regulations, 2015

Directors' Responsibility Statement

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

- i. in the preparation of the annual financial statements for the year ended on March 31, 2023, applicable accounting standards read with requirements set out under schedule III of the Act, have been followed along with proper explanation relating to material departures, if any,
- ii. such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2023 and of the profit of the company for the year ended on that date,
- iii. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities,
- iv. the annual financial statements are prepared on a going concern basis,
- v. proper internal financial controls are in place and that the financial controls are adequate and are operating effectively and
- vi. the systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

Statutory Audit

In accordance with provisions of Section 139(1) of the Companies Act, 2013 M/s. P.S. Thakare & Co., Chartered Accountants, (FRN No. 128572W), has been appointed as statutory auditors of the company for 5 consecutive financial years i.e. from conclusion of 23rd AGM till the conclusion of 28th AGM.

In accordance with provisions of Section 139(1) of the Companies Act, 2013 they have completed 5 consecutive financial years and is eligible to be reappointed for further 5 consecutive financial years i.e. from conclusion of 28th AGM till the conclusion of 33rd AGM.

M/s P.S. Thakare, Peer Reviewed Chartered Accountants, Nagpur, (FRN No. 128572W), has submitted their eligibility and consent under section 141 of the Companies Act, 2013 and the rules made thereunder, to the Board of Directors on August 19, 2023 and are eligible for appointment as Peer Reviewed Statutory Auditors for the FY 2023-24.

Section 139(1) of the Companies Act, 2013, further provides that the appointment of statutory auditors shall be placed before the members for their approval. Accordingly, a resolution seeking members approval for the appointment of M/s. P.S. Thakare & Co., Chartered Accountants, (FRN No. 128572W), as statutory auditors of the company is included at Item No. 3 of the Notice convening the AGM.

In view of the above and on recommendation of Audit Committee, the Board of Directors approves and recommends their appointment as Peer Reviewed Statutory Auditors at the ensuing

Annual General Meeting from the conclusion of the 28th AGM till the conclusion of 33rd AGM and to conduct statutory audit and report thereon from FY 2023-24 till FY 2027-28.

Board's Comment on the Auditors' Report

M/s Thakare & Co., Chartered Accountants, has submitted Auditor's Report with unmodified opinion and unmodified figures for the F.Y. March 31, 2023 in compliance of Reg. 33 (1) (d) of SEBI (LODR) Regulations, 2015. The Board has duly reviewed the Auditor's Report and the Observations and comments, appearing in the Auditor's Report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors as provided under section 134 of the Act.

Secretarial Audit

Pursuant to the provisions of section 204[1] of the Act read with rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, company is required to annex the Secretarial Audit report with its Board Report. Accordingly, the appointment of M/s H. Roshan & Associates, Nagpur has been made by the Board in their meeting held on August 22, 2023 to conduct Secretarial Audit and report thereon for F.Y. 2022-23.

Accordingly, the Secretarial Audit Report given by M/s H. Roshan & Associates, Nagpur for the F.Y. 2022-23 is annexed herewith as "Annexure B". The Board has duly reviewed the Secretarial Auditor's Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors as provided under Section 134 of the Companies Act, 2013.

Details of Fraud Report by Auditor

As per auditors' report, no fraud u/s 143(12) of the Companies Act, 2013 reported by the auditor.

Maintenance of Cost Records

In compliance with rule (8) sub-rule (5) clause (ix) of Companies (Accounts) amendment Rules, 2018, the Board of Directors of your company confirms the maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is required by the Company and accordingly such accounts and records are made and maintained by the Company.

Business Risk Management

The Company has in place a comprehensive Risk Management framework to identify, monitor, review various risk elements. On a periodic basis all necessary steps towards mitigation of various risk elements which can impact the existence of the Company are taken by the Management of the Company. All the identified risks are managed through continuous review of business parameters by the Management and the Board of Directors are also informed of the risks and concerns.

Discussion on risks and concerns is covered separately under section the Management Discussion and Analysis Report, which forms integral part of this Annual Report.

Vigil Mechanism

The Board of Directors has formulated a Vigil Mechanism/Whistle Blower Policy which provides a robust framework for dealing with genuine concerns and grievances.

Internal Control Systems

The Internal Financial Control systems of the Company are adequate with reference to the Financial Statement, size and operations of the Company. Internal Auditor of the Company observes the effective functioning of internal financial controls. The scope and functions of Internal Auditor is defined and reviewed by the Audit Committee.

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

Insider Trading Code

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("the PIT Regulations") and amendments thereto on prevention of Insider Trading, your Company has a comprehensive Code of Conduct for Regulating, monitoring and reporting of trading by Insiders along with policy on legitimate purpose. Your Company also has a Code of Practices and Procedures of fair disclosures of unpublished price sensitive information and these code(s) are in line with the PIT regulations.

Corporate Social Responsibility

The Annual Report on the CSR activities of the Company, pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed to this report in "Annexure D".

Acknowledgement

The Directors express their gratitude and warm appreciation for the sincere co-operation to the Dealers, Suppliers, Shareholders, NSE, Bankers, workers and Employees and various government authorities for their support and look forward to their continued support in the future.

Nagpur, Friday August 25, 2023

Particulars of Employees

The information required under section 197 of the Act read with Rule 5[1] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 is given in "Annexure E" that forms part of the Board's Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134[3][m] of the Act read with the Companies [Accounts] Rules, 2014, are provided in the Annexure- "F" that forms part of this Report.

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

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rule (8) sub-rule (5) clause (x) of Companies (accounts) amendment Rules 2018, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace and Internal complaint Committee has been constituted for the prevention and redressal of complaints of sexual harassment and to look after the matters connected therewith or incidental thereto.

Significant and Material Orders

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

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

 Ajayprakash Kanoria
Chairman, Managing Director & CEO

Annexures to Director's Report

Annexure A - Form AOC-2

Particulars of Contract or Arrangements with Related Parties

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

1. **Details of contracts or arrangements or transactions not at arm's length basis** : NIL
 - (a) Names(s) of the related party and nature of relationship : NA
 - (b) Nature of the contracts/arrangements/transactions : NA
 - (c) Duration of the contracts / arrangements/transactions : NA
 - (d) Salient terms of the contracts or arrangements or transactions including the value, If any : NA
 - (e) Justification for entering into such contracts or arrangements or transactions : NA
 - (f) Date(s) of approval by the Board : NA
 - (g) Amount paid as advances, if any : NA
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : NA

2. **Details of the material contracts or arrangements or transactions at arm's length basis:**
 - (a) Names(s) of the related party and nature of relationship: Please see Annexure to AOC -2
 - (b) Nature of contracts/Arrangements/ Transactions: Please see Annexure to AOC -2
 - (c) Duration of the contracts /Arrangements/ Transactions: During the Financial Year 2022-23.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: No salient terms defined for the transactions with the related parties.
 - (e) Date(s) of approval by Audit Committee: May 30, 2022 (Omnibus Approval)
 - (f) Amount paid as advances during the F.Y. 2022-23, if any: Please see Annexure to AOC -2.

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

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

Nagpur, Friday August 25, 2023

 Ajayprakash Kanoria
Chairman, Managing Director & CEO

Annexure to AOC -2

Names(s) of the related party	Nature of relationship	Nature of contracts/ Arrangements / Transactions	Amount paid as advances during the F.Y. 2022-23, if any:	Amount of Transactions (in INR)	
				2022-23	2021-22
(a)	(b)	(c)	(d)		
Nagpur Tools Private Limited	Promoter Group Company	Job Work	-	9,04,68,587.00	76,140,996.00
		Purchase of Scrap	-	-	-
Adishree Engineering Private Limited	Promoter Group Company	Job Work	-	97,11,520.00	10,186,176.00
		Purchase of HSS Taps	-	-	-
Mr. Ajayprakash Kanoria	Chairman, Managing Director & CEO	Managerial Remuneration	NIL	2,05,86,770.00	16,798,700.00
Mrs. Alka Kanoria	Whole-time Director	Managerial Remuneration	NIL	1,25,24,520.00	9,999,130.00
Mr. Vishnu Sontakke	Chief Financial Officer	Salary	NIL	9,68,383.00	808,782.00
Ms. Shruti Sohane	Company Secretary	Salary	NIL	6,20,880.00	4,93,200.00

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

Nagpur, Friday August 25, 2023

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

Annexure B

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by EMKAY TAPS AND CUTTING TOOLS LIMITED (herein after called 'the Company'). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, and to the best of our information, knowledge and belief and according to the explanations given to me, the Company has, during the audit period covering the financial year ended on 31st March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; which is not applicable to the Company during the year;
- v. The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992, (SEBI Act):
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
 - iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - iv. The Securities and Exchange Board of India (Issue of capital and Disclosure of requirements) Regulations, 2018*
 - v. The Securities and exchange Board of India (Employees Stock option scheme and employees stock purchase scheme) Guidelines, 1999*.
 - vi. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations 2008*.
 - vii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
 - viii. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009*.
 - ix. The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018.

*(Note: * Not applicable to the company during the year under review)*

Industry Specific Acts

As the Company is engaged in manufacturing business, the Company is covered by all the financial and general laws applicable to Manufacturing Company, but there is no industry specific act applicable to the Company.

I have also examined compliance with the applicable clauses of the following -

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- ii. Listing agreement entered into by the Company with National Stock Exchange of India Limited.

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

I further report that:

- ◆ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
- ◆ Adequate notice was given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee(s) Meetings are carried through unanimously as recorded in the meetings of the Board and Committee(s) of the Board, as the case may be.

I further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Nagpur, Friday August 25, 2023

For **H. ROSHAN & ASSOCIATES**
Company Secretaries

 **ROSHAN HARDE**
(Proprietor)

Mem. No. 34630

CP. No. 13138

UDIN:- A034630E000848850

Peer Review Certificate no. 1442/2021

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

'ANNEXURE -1' TO SECRETARIAL AUDIT REPORT

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

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

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

Nagpur, Friday August 25, 2023

For **H. ROSHAN & ASSOCIATES**
Company Secretaries

 **ROSHAN HARDE**

(Proprietor)

Mem. No. 34630

CP. No. 13138

UDIN:- A034630E000848850

Peer Review Certificate no. 1442/2021

Annexure D

ANNUAL REPORT ON CSR ACTIVITIES

Your Company is committed and believes in promoting well-being of the society in which it operates and the CSR Committee of the Company has been cautioned in identification of those CSR projects as covered under CSR Policy of the Company and promptly executing and monitoring the identified projects in association with various local charitable and Not for Profit organizations. In coming times, the Company shall continue to assess fresh projects and explore new geographies for undertaking CSR activities under CSR Policy of the Company and shall always remain committed to meet its CSR obligations on annual basis.

1. Outline of the CSR policy:

- ◆ The Corporate Social Responsibility (CSR) Policy of the Company covers the causes that Company may pursue as its CSR.
- ◆ Based on the profit for each financial year, the CSR Committee shall indicate the amount to be spent during the year.
- ◆ The procedure for approval of the project(s), investment/incurring costs and monitoring is also laid down in the policy.
- ◆ The said CSR Policy and the activity to be pursued by the Company are placed under the web link: https://etctl.com/wp-content/uploads/2016/02/CSR-POLICY_ETCTL-1.pdf

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ajayprakash Kanoria	Chairman, Managing Director & CEO	04	04
2.	Mrs. Alka Kanoria	Whole-time Director	04	04
3.	Mr. Mahesh Mor	Independent Director	04	03

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://etctl.com/wp-content/uploads/2016/02/CSR-POLICY_ETCTL-1.pdf
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	2021-22	1,23,953.68	1,23,953.68
	Total	1,23,953.68	1,23,953.68

6. Average net profit of the company as per section 135(5) : **INR 24,51,35,422.49**
7. (a) Two percent of average net profit of the company as per section 135(5) : **INR 49,02,708.45**
- (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years : **NIL**
- (c) Amount required to be set off for the financial year, if any : **INR 1,23,953.68**
- (d) Total CSR obligation for the financial year (7a+7b-7c) : **INR 47,78,754.77**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year 2022-23 (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
51,93,046.00	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in Rs.).	(8) Amount spent in the current financial Year (in Rs.).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State	District.						Name	CSR Registration number.
1.												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project: State, District	(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
							Name.	CSR registration number.
1.	Drinking Water Tank provided on per day basis	Making available safe drinking water	Yes	Digdoh (Deevi) grampanchayat Nagpur, Maharashtra	1,92,000.00	Yes		NA
2.	Distribution of blankets	Measures for reducing inequalities faced by socially and economically backward groups	Yes	Nagpur, Maharashtra	97,600.00	Yes		NA
3.	Organise Blood donation camps in and nearby Nagpur	Promotion of Healthcare	Yes	Local areas of Nagpur, Maharashtra	2,00,000.00	No	Hedgewar Blood bank, Nagpur	CSR00005252

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project: State, District	(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
							Name.	CSR registration number.
4.	Adoption of school(s) for imparting Education to children of rural and tribal areas	Promotion of Education for all	Yes	Local areas of Nagpur, Maharashtra	15,40,000.00	No	Friends of Tribal Society, Nagpur for EKAL movement- Education for all	CSR00001898
5.	Treatment of needy patients	Promotion of Healthcare	Yes	Local areas of Nagpur, Maharashtra	11,00,000.00	No	Swami Vivekanand Medical Mission	CSR00005068
6.	Promotion of Healthcare- Hedgewar blood bank- Financial Assistance to thalassimia and sickle cell patients	Promotion of Healthcare	Yes	Nagpur, Maharashtra	15,00,000.00	No	Hedgewar Blood bank, Nagpur	CSR00005252
7.	Computer Training Institute	Promotion of Education for all	Yes	Rui-Nagpur, Maharashtra	5,63,446.00	No	Niramay Bauudeshiya Sansthan, Nagpur	CSR00023675
TOTAL CSR amount spent during F.Y. 2022-23				51,93,046.00				

- (d) Amount spent in Administrative Overheads : **NIL**
- (e) Amount spent on Impact Assessment, if applicable : **Not Applicable**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **INR 51,93,046.00**
- (g) Excess amount for set off, if any : **INR 4,14,291.23**

(Note: The set off amount includes amount for F.Y. 2021-22 and F.Y. 2022-23)

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	49,02,708.45
(ii)	Total amount spent for the Financial Year	51,93,046.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,90,337.55
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,90,337.55

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.	2021-22	-	-	-	-	-	-
2.	2020-21	-	-	-	-	-	-
3.	2019-20	-	-	-	-	-	-
	Total	-	-	-	-	-	-

Note: * Amount to be transferred to Unspent CSR Account under section 135 (6) w.e.f. January 22, 2021

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1			NA					
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**

(Asset-wise details): **Not Applicable**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : **Not Applicable**

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Nagpur, Friday August 25, 2023

 **Ajayprakash Kanoria**
Chairman of CSR Committee/
Chairman, Managing Director & CEO

Annexure E

PARTICULARS OF EMPLOYEES

Pursuant to Section 197 of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year; and
- B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the F.Y. 2022-23.

(Amount in INR)

Sr. No.	Name	Designation	Total Remuneration (in INR)	Ratio of Directors Remuneration to Median remuneration	% increase in the remuneration
				(A)	(B)
I. Executive Director					
1.	Mr. Ajayprakash Kanoria	Chairman, Managing Director & CEO	2,05,86,770.00	58.16	NA
2.	Mrs. Alka Kanoria	Whole-time Director	1,25,24,520.00	35.38	NA
II. Key Managerial Personnel					
3.	Mr. Vishnu Sontakke	Chief Finance Officer	9,68,383.00	NA	NA
4.	Ms. Shruti Sohane	Company Secretary	6,20,880.00	NA	NA

- C. The percentage increase in the median remuneration of employees in the financial year is given below:

Median Remuneration (INR)		% Increase In The Median Remuneration For Fiscal 2022-23
2022-23	2021-22	
3,56,124.00	3,19,242.00	11.55%

- D. The number of permanent employees on the rolls of company as on March 31, 2023 : **Seventy Eight (78)**
- E. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	Average % increase / decrease in salaries for fiscal 2022-23
All permanent Employees	13.30%
Executive Directors/ Managerial Remuneration	
Mr. Ajayprakash Kanoria	NA*
Mrs. Alka Kanoria	NA*

Note: Fixed component of the remuneration has not been changed however Increase/decrease in overall remuneration to the Executive Directors is due to increase in remuneration as % of Net Profit which in turn is due to increase/decrease in Profit earnings of the Company.

F. Affirmation that the remuneration is as per the remuneration policy of the Company: The remuneration(s), of the Managing Director ("MD")/ Whole-time Director ("WTD")/ KMP/ rest of the employees, are [as per the Nomination and Remuneration Policy of the Company](#).

2. [In terms of the provisions of Section 197\(12\) of the Act read with Rules 5\(2\) and 5\(3\) of the Companies \(Appointment and Remuneration of Managerial Personnel\) Rules, 2014 is as follows:](#)

The names of the top ten employees in terms of remuneration drawn and the name of every employee, who-

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than [one crore and two lakh rupees]; [NIL](#)
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than [eight lakh and fifty thousand rupees per month]; [Not Applicable](#)
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company; [Not Applicable](#)

* * * *

Annexure F

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3) (m) of the Companies Act, 2013 and the rules made therein and forming part of the Directors' Report for the year ended March 31, 2023.

Conservation Of Energy

◆ Steps taken or impact on conservation of energy:

The Company has always been conscious about the conservation of energy. Strong efforts are continued for the conservation of energy. A systematic effort is instituted to switch over for lighting purposes to LED lights.

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

During the year under review, the company has installed solar panels in the company to be used for office premises of the company.

◆ Capital investment on energy conservation equipment's: NIL

Technology Absorption

◆ Efforts made towards technology absorption:

Moving further with the latest technology upgradation and adoption the company has been successfully improving the production cycle and productivity. Technology absorption and adoption along with research and development is a continuous process and company is progressively looking forward for more advancement in the years to come.

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

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

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

◆ The expenditure incurred on Research and Development : NIL

Foreign Exchange Earnings and Outgoing

Amount in Crores (INR)

Particular	2022-23	2021-22
Total Foreign Exchange Outgo	03.17	01.99
Total Foreign Exchange Earned	02.92	02.30

Corporate Governance Report 2022-23

Philosophy

The Company's philosophy on the 'Corporate Governance' is based on compliance of applicable provisions, exchange of relevant information and timely appropriate disclosures to the regulator(s), each group of stakeholders and Public at large, connected with the area of common interest/stake between the Company and the Stakeholder.

The Company is led by a distinguished Board, which includes independent directors. The Company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide management the strategic direction it needs.

Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in the corporate governance.

As per regulation 15(2) (a) and 15(2) (b) of SEBI (LODR) regulation, 2015 Para C, D, E of Schedule V of the regulation shall not apply to SME listed companies. The Company has voluntarily opted to give the CGR-2022-23 as a good corporate governance practice.

In terms of regulation 34(3) of SEBI (LODR) regulation, 2015 the details of compliances, are as follows: -

▶ Board of Directors

◆ Composition of the Board

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

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

Sr. No.	Name of the Director	Category/Status of Directorship	No. of Board Meetings attended during the F.Y. 2022-23	No. of Directorship(s) in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies		No. of Equity Shares held in the Company as on March 31, 2023
					Chairman	Member	
1.	Ajayprakash Kanoria	CMD	05	Nil	Nil	Nil	6,28,050
2.	Alka Kanoria	WTD	05	Nil	Nil	Nil	11,24,190
3.	Mahesh Mor	NEID	05	Nil	Nil	Nil	0
4.	Ravindra Loiya	NEID	05	Nil	Nil	Nil	0
5.	P.C. Ramchandran	NEID	05	Nil	Nil	Nil	0

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

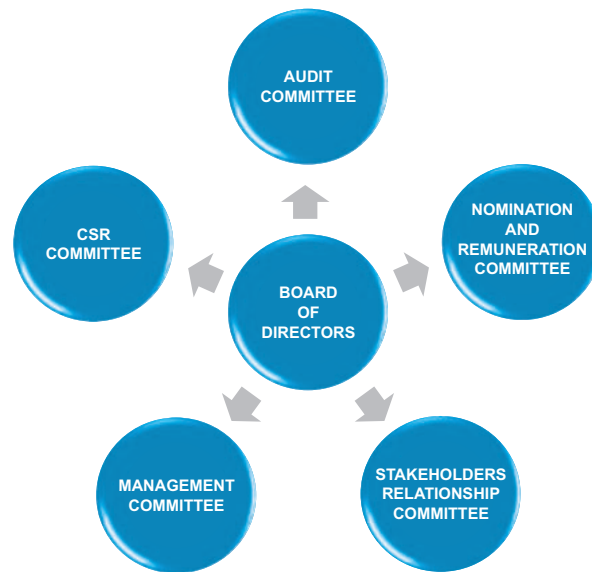
◆ Number of Board Meetings

During the financial year from 1st April, 2022 to 31st March 2023, the Board of Directors met five (5) times on May 30, 2022, August 22, 2022, November 14, 2022, February 24, 2023 and March 30, 2023. The maximum time gap between any two consecutive board meetings was more than 120 days.

◆ Code of conduct for Board Members and Senior Management Personnel

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

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



The Board of the Company takes all decisions with regard to constituting, assigning, co-opting, delegating and fixing the terms of reference of the Committees. Recommendations / decisions of the Committees are submitted / informed to the Board for approval/ information.

► **Audit Committee**

The Audit Committee of the Board of Directors met four (4) times during the F.Y. under review viz., May 30, 2022, August 22, 2022, November 14, 2022 and February 24, 2023. The maximum time gap between any two consecutive meetings was less than 120 days.

Composition of Audit Committee and Directors' Attendance Record in Committee meeting:

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2022-23
1.	Mr. Mahesh Mor	NEID	Chairman	04
2.	Mr. P. C. Ramchandran	NEID	Member	04
3.	Mr. Ajayprakash Kanoria	CMD	Member	04

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

The Company Secretary acts as the Secretary to the Committee. Mr. Mahesh Mor, Chairman of the Audit Committee, possesses accounting and financial management expertise and all the members of the Committee also have accounting and financial knowledge.

► **Nomination and Remuneration/Compensation Committee**

The Nomination and Remuneration Committee of the Company met two (2) times during the F.Y. 2022-23 on August 22, 2022 and February 24, 2023.

Composition of Committee and Directors' Attendance Record in Committee meeting:

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2022-23
1.	Mr. Mahesh Mor	NEID	Chairman	02
2.	Mr. Ravindra Loiya	NEID	Member	02
3.	Mr. P. C. Ramchandran	NEID	Member	02

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

Terms of Reference:

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

Nomination and Remuneration Policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto, as amended from time to time and applicable provisions of SEBI (LODR) Regulations, 2015.

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

Definitions

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

“Key Managerial Personnel” means:

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

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

Objective

The objective of the policy is to ensure that:

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

Role of the Committee

The role of the NRC will be the following:

- ◆ To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- ◆ To formulate criteria for evaluation of Independent Directors and the Board.
- ◆ To carry out evaluation of Director's performance.
- ◆ To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- ◆ To recommend to the Board the appointment and removal of Directors and Senior Management.
- ◆ To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- ◆ To devise a policy on Board diversity, composition, size.
- ◆ Succession planning for replacing Key Executives and overseeing.

- ◆ To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.

Appointment and Removal of Director, Key Managerial Personnel and Senior Management:

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

Term/Tenure

- a) Managing Director/Whole-time Director:

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

- b) Independent Director:

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

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

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

Evaluation

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

Removal

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

Retirement

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

Policy for Remuneration to Directors/KMP/Senior Management Personnel

1. Remuneration to Managing Director / Whole-time Directors:
 - I. The Remuneration/Commission etc. to be paid to Managing Director/Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - II. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
2. Remuneration to Non- Executive / Independent Directors:
 - a. The Non-Executive/ Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
 - b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case maybe.

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

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

Implementation

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may Delegate any of its powers to one or more of its members.

◆ Stakeholders' Relationship Committee

The Committee met once on February 24, 2023 at the registered office of the company which was attended by Mr. Mahesh Mor, Mr. Ravindra Loiya and Mr. P. C. Ramchandran. The Stakeholders' Relationship Committee comprised as under: -

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2022-23
1.	Mr. Mahesh Mor	NEID	Chairman	01
2.	Mr. Ravindra Loiya	NEID	Member	01
3.	Mr. P. C. Ramchandran	NEID	Member	01

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

Investor's grievance status report as appearing on SCORES and as reported by the RTA during the year under review is as follows:

Category of Complaint(s)	No. of Complaint(s) Received	No. of Complaint(s) Resolved	No. of Complaint(s) Pending
NA	Nil	NA	NA
Total :	Nil	NA	NA

◆ Corporate Social Responsibility Committee

The Committee met for four (4) times on May 30, 2022, August 22, 2022, November 28, 2022 and February 24, 2023 during the year under review. A detailed annual report on CSR during F.Y. 2022-23 form part of this Annual Report and the CSR Policy approved and adopted by the Board on recommendation of the CSR Committee, indicating the activities to be undertaken by the Company, can be referred on our website www.etctl.com

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2022-23
1.	Ajayprakash Kanoria	CMD	Chairman	04
2.	Alka Kanoria	WTD	Member	04
3.	Mr. Mahesh Mor	NEID	Member	04

◆ Management Committee

The Committee met seven (7) times in the F.Y. 2022-23 on May 31, 2022, August 26, 2022, October 04, 2022, November 21, 2022, December 09, 2022, January 12, 2023 and February 24, 2023. Ms. Shruti Sohane Company Secretary is the Compliance Officer of the Company and also acts as secretary to the Committee.

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2022-23
1.	Ajayprakash Kanoria	CMD	Chairman	07
2.	Alka Kanoria	WTD	Member	07

◆ Remuneration of Managing and Whole-time Director

The details of remuneration paid from 1st April, 2022 to 31st March, 2023 are given below:

Name and Designation	Ajayprakash Kanoria Chairman, Managing Director & CEO	Alka Kanoria Whole-Time Director
Particulars	Amount (In INR)	
Basic Salary	3,600,000.00	1,200,000.00
Perquisites & Allowances	0.00	0.00
% of Net Profit	1,69,86,770.00	1,13,24,520.00
Contribution to PF and superannuation fund	28,800.00	21,600.00
Total	2,06,15,570.00	1,25,46,120.00

◆ Sitting fees to Non-Executive Directors

The Board of Directors has fixed the sitting fee payable to non-executive independent directors for attending meetings of the Board and its Committees as prescribed in the Companies Act, 2013. The sitting fee structure as payable to the Non-Executive Independent Directors on the Board of the Company is as follows:

Sr. No.	Name	Designation	Name of the Meeting		Amount payable per meeting (INR)	
			Meeting of Board of Directors	Meeting of all Committees*	Board Meeting	Committee Meetings
1.	Mr. Mahesh Mor	NEID	03	06	2,500.00	1,000.00
2.	Mr. Ravindra Loiya	NEID	05	02	2,500.00	1,000.00
3.	Mr. P. C. Ramchandran	NEID	05	08	2,500.00	1,000.00

Note: *Includes one meeting of Independent directors

- ◆ **Subsidiary:** The Company has no subsidiary company during the F.Y. 2022-23; however the Board of Directors in their meeting held on March 30, 2023 decided to incorporate Emkay Tools Limited, a Wholly Owned Subsidiary with an authorized capital of INR 15,00,000/- and a paid-up capital of INR 1,00,000/- and the Registrar of Companies, Maharashtra Mumbai has issued incorporation certificate dated April 25, 2023.

◆ Related Party Transactions

All contracts/ arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company.

Your attention is drawn to "Annexure A- Form AOC-2" which sets out Related Party disclosures.

◆ Management Discussion and Analysis

Detailed chapter on Management Discussion and Analysis is provided in the Annual Report.

◆ Share Reconciliation Audit

As stipulated by SEBI, Mr. Roshan Harde, Qualified Practicing Company Secretary from Nagpur, carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited

(CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the NSE (India) Limited. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form.

◆ Investors Complaints

There were no complaints received during year under review and no pending complaints as on March 31, 2023. To facilitate the shareholders, Stakeholders Relationship Committee, headed by Mr. Mahesh Mor has been formed. Further, stakeholders may contact Ms. Shruti Sohane, the Company Secretary and Compliance Officer for redressal of Investors Grievances at investor@etctl.com

◆ Mandatory Requirements of SEBI (LODR) Regulation, 2018

The company has complied with all applicable mandatory requirements of Regulation 34 and schedule V of SEBI (LODR) Regulation, 2018.

◆ General Body Meetings

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time
25 TH	March 31, 2020	Plot No B-27 And B-27/1,	September 24, 2020	11:00 AM
26 TH	March 31, 2021	MIDC Hingna, Industrial Estate,	September 11, 2021	11:00 AM
27 TH	March 31, 2022	Nagpur-440016	September 17, 2022	11:30 AM

◆ Special Resolutions

There was no special resolution passed during the F.Y. 2022-23.

◆ Postal Ballot

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

◆ Performance Evaluation

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

◆ Criteria for Evaluation:

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

1. Attendance and contribution at Board and Committee meetings.
2. His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
3. His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
7. Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
11. His/her contribution to enhance overall brand image of the Company.

◆ Disclosures

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

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

Means of Communication

- 1) The Company's corporate website, <http://etctl.com> provides comprehensive information to the Shareholders.
- 2) The Half yearly and Annual Financial results submitted to the Stock Exchange in accordance with the SEBI (LODR) Regulation, 2015 are available on the Company's website, <http://etctl.com>
- 3) The requirements of publication of Advertisement in Newspaper under Regulation 47 of SEBI (LODR) Regulation, 2015 shall not be applicable in case of listed entities which have listed their specified securities on SME Exchange as per proviso to sub-regulation 4 of Reg. 47 of SEBI (LODR) Regulation, 2015.

◆ General Information to Shareholders

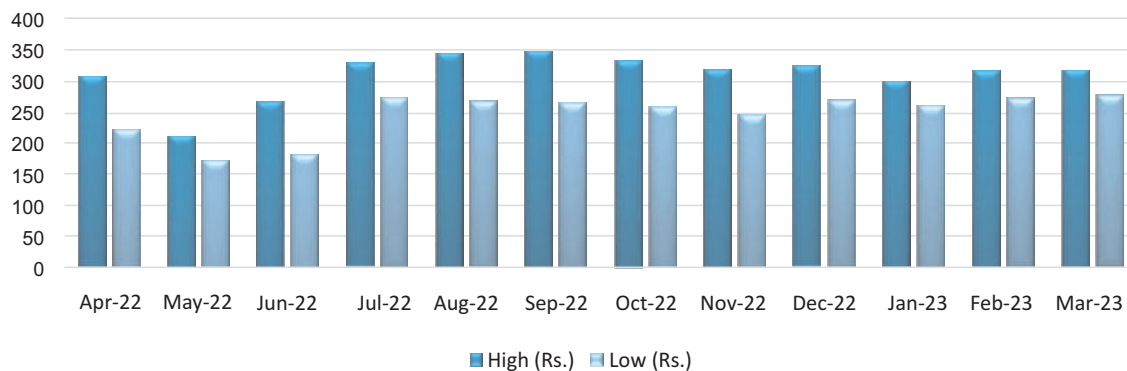
Sr. No.	Salient Items of Interest	Particulars
1.	AGM Day and Date Time Venue	: On Monday September 18, 2023 : 11.30 AM : Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016
2.	Financial Year	: April 1 st 2022 to March 31 st 2023
3.	Date of Book Closure for AGM From	: From: Friday September 15, 2023 To: Monday September 18, 2023 (both days inclusive)
4.	Dividend Payment, if any declared	: NA
5.	Listing on Stock Exchanges	: The Company's equity shares are listed on SME Platform of NSE on 13th August, 2015. The listing fee for the F.Y. 2023-24 has been paid.
6.	Custodian Fees to Depositories	: The Company has paid fees for the F.Y. 2023-24 to National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) on time.
7.	Symbol	: EMKAYTOOLS
8.	Registrar and Transfer Agents	: Bigshare Services Private Limited Registered office Address: E-2/3, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (E), Mumbai -400 072. Tel: 91-22-28470652 40430200 28470653 Fax: 91-22-2847 5207 Website: www.bigshareonline.com email: info@bigshareonline.com
9.	Share Transfer System	: As all the shares are held in demat mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.
10.	Dematerialization of shares and liquidity	: All the Equity shares i.e. 100 % of the total issued, subscribed and paid-up equity share capital of the Company are held in dematerialized form.
11.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	: Not Applicable
12.	Plant Locations	: Plot No. B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016
13.	Address for correspondence	: Compliance Officer: Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016 Ph. No. 91-7104-237584/237363, Fax No. 91-7104-232862 Email: ID : investors@etctl.com

◆ **Market Price Data**

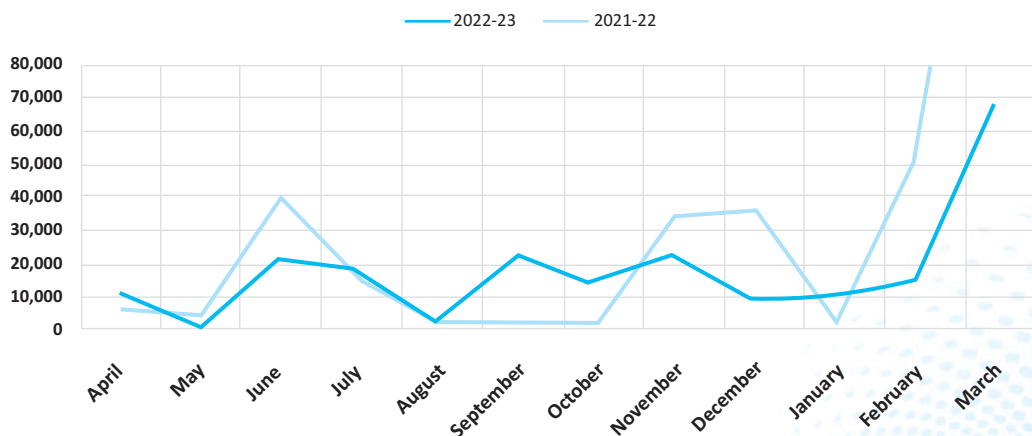
Market data as available on NSE (India) Limited website <https://www.nseindia.com/emerge> during each month of the financial year 2022-23 is given below:

MONTH	HIGH (IN INR)	LOW (IN INR)	NO. OF SHARES TRADED
March 2023	314.00	276.00	68,400
February 2023	315	272	15,600
January 2023	297.70	259.05	10,800
December 2022	320.75	268	9,600
November 2022	314.40	247.05	23,400
October 2022	329.40	259.05	15,000
September 2022	345.15	265	24,000
August 2022	341.65	268	5,400
July 2022	326.25	270.60	19,800
June 2022	263.80	180.60	23,400
May 2022	211.05	172	3,000
April 2022	306	220.40	13,200

MARKET PRICE



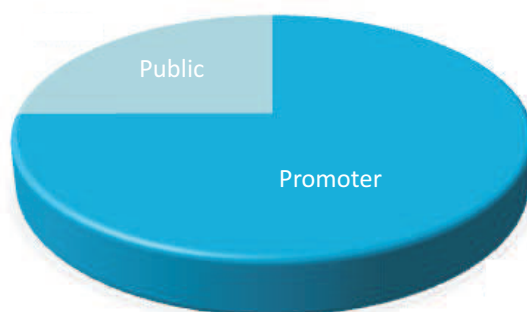
MARKET DATA



◆ Shareholding Pattern as on 31st March 2023

Categories	Total Shareholder	% of shareholders	No. Of shares held	Percentage of total (%)
A. Promoter and Promoter Group	06	03.77	8002800	74.99
Promoters	04	02.52	6107700	57.23
Corporate Bodies (Promoter Group)	02	01.25	1895100	17.76
Person related to Director	00	00.00	00	00.000
B. Public	153	96.23	2668500	25.01
Non-Institutional (Individual)	134	84.28	1452900	13.62
Corporate Bodies	05	03.14	1188000	11.13
Clearing members	01	00.63	5400	0.05
Any other	11	06.92	15600	00.15
C. Non-resident Indians	02	01.26	6600	00.06
TOTAL (A+B+C)	159	100.00	10671300	100.000

SHAREHOLDING



◆ Distribution of Shareholding as on 31st March 2023

Shareholding of nominal		Number of shareholders	Percentage of total	Share amount	Percentage of total
(INR)	(INR)				
5001	10000	75	45.7317	450000	0.4217
10001	20000	23	14.0244	327000	0.3064
20001	30000	25	15.2439	618000	0.5791
30001	40000	04	02.4390	144000	0.1349
40001	50000	04	02.4390	186000	0.1743
50001	100000	09	05.4878	654000	0.6129
100001	9999999999999999	24	14.6341	104334000	97.7707
TOTAL		142	100.0000	10671300	100.0000

◆ Top 10 Shareholders as on 31st March 2023

Sr. No.	Name of shareholder	Category of shareholder	No. of shares held	% of holding
1.	Ajayprakash Murlidhar Kanoria (HUF)	Promoter	4353960	40.8007
2.	Nagpur Tools Private Limited	Corporate Promoter Group	1893600	17.7448
3.	Alka Ajayprakash Kanoria	Promoter	1124190	10.5347
4.	Sudarshan Trading and Manufacturing Pvt. Ltd.	Corporate Bodies	1045800	09.8001
5.	Ajayprakash Kanoria	Promoter	628050	05.8854
6.	Rahim Khan	Public	566400	05.3077
7.	Naginadevi Brajkishore Agrawal	Public	244800	02.2940
8.	Brajkishore Agrawal	Public	180000	01.6868
9.	PriyaVinyog Pvt. Ltd.	Corporate Bodies	69000	00.6466
10.	Nikhil S. Agrawal	Public	68400	00.641

◆ Shares held in dematerialized form as on 31st March 2023

Particulars	Number of shares	% of total issued capital
Issued Capital / Listed Capital (as per Company records)	10671300	100.00
Held in Dematerialized form in NSDL	206700	01.94
Held in Dematerialized form in CDSL	10464600	98.06
Physical	0.00	0.00
Total No. of shares	10671300	100.00

◆ Legends used in the report:

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

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Nagpur, Friday August 25, 2023

 **Shruti Sohane**

Company Secretary & Compliance Officer

Affirmation of Compliance

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

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

For **EMKAY TAPS AND CUTTING TOOLS LIMITED**

Nagpur, Friday August 25, 2023

 **Ajayprakash Kanoria**

Chairman, Managing Director & CEO

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

We have reviewed the compliance of the conditions of Corporate Governance by M/s. Emkay Taps and Cutting Tools Limited as on the date of Director's Report for the F.Y. 2022-23, as stipulated in the regulation 34(3) of SEBI (LODR) regulation, 2018 ("Listing Regulation") of the said Company with the Stock Exchange.


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

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

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

Nagpur, Friday August 25, 2023

For H. ROSHAN & ASSOCIATES
Company Secretaries

 ROSHAN HARDE
(Proprietor)
Mem. No. 34630
CP. No. 13138
UDIN:- A034630E000848861
Peer Review Certificate no. 1442/2021

CERTIFICATION FROM THE MANAGING DIRECTOR AND THE CFO

In terms of regulation 34(3) of SEBI (LODR) regulation, 2018, we hereby certify as under:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Code of Conduct of the Company.
- c) We accept responsibility for establishing and maintaining

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

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

Nagpur, Friday August 25, 2023

For Emkay Taps and Cutting Tools Limited

 Ajayprakash Kanoria

Chairman, Managing Director & CEO

 Vishnu Sontakke

Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Our organizational functioning -**Manufacturing - Cutting Tools** (Metal cutting machine tools) - catering to the needs of automobile and auto-ancillary industry, electrical fittings industry, Defense components along with Aerospace and general engineering industry requirements **covering major sectors of Engineering and Capital Goods Industry in broader sense.**

Amidst adverse global economic difficulties posed by prevailing post pandemic situations, the global inflation and financial crisis, the company was able to secure satisfactory growth in the national and international business during the year under review.

"The outlook is uncertain again amid financial sector turmoil, high inflation, ongoing effects of Russia's invasion of Ukraine, and three years of COVID. Global cooperation is also necessary to accelerate the clean energy transition, mitigate climate change, and provide debt relief for the rising number of countries experiencing debt distress."

Government measures and incentives per se Automobile industry are not sufficient enough to revive the demand. The management is not optimistic about the sales position in the coming months unless suitable measures to revive the automobile demand are taken by the Government. This is not in control of the Company and position will change as the situation changes in the country. Although there are uncertainties, the Company managed well to navigate the challenges ahead and gain market share.

Following the Pandemic and the war in Ukraine, there is bank failures and climate change which requires a well-balanced monetary policy and increase resilience to combat climate changes. This situation will contribute to a significant slowdown in global growth in 2023 and add further to inflation.

The company is continuously assessing impact of currently prevailing adverse conditions in the world and the country on its operations, profitability liquidity position and demand for its products manufactured by the company. Management is optimistic for the growth of the business subject to changes in the situation country-wide and world-wide amidst the effects of Ukraine Russia War and other prevailing adverse conditions.

◆ The Global Economy in Crisis

A Challenging Outlook

A return of the world economy to the pace of economic growth that prevailed before the bevy of shocks in 2022 and the recent financial sector turmoil is increasingly elusive. More than a year after Russia's invasion of Ukraine and the outbreak of more contagious COVID-19 variants, many economies are still absorbing the shocks. The recent tightening in global financial conditions is also hampering the recovery.

As a result, many economies are likely to experience slower growth in incomes in 2023, amid rising joblessness. Moreover, even with central banks having driven up interest rates to reduce inflation, the road back to price stability could be long. Over the medium term, the prospects for growth now seem dimmer than in decades.

Global Growth - The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine is slowing amid widening divergences among economic sectors and regions. The World Health Organization (WHO) announced in May that it no longer considers COVID-19 to be a "global health emergency." Supply chains have largely recovered, and shipping costs and suppliers' delivery times are back to pre-pandemic levels. But forces that hindered growth in 2022 persist. Inflation remains high and continues to erode household purchasing power. Policy tightening by central banks in response to inflation has raised the cost of borrowing, constraining economic activity. Immediate concerns about the health of the banking sector have subsided, but high interest rates are filtering through the financial system, and banks in advanced economies have significantly tightened lending standards, curtailing the supply of credit. The impact of higher interest rates extends to public finances, especially in poorer countries grappling with elevated debt costs, constraining room for priority investments. As a result, output losses compared with pre-pandemic forecasts remain large, especially for the world's poorest nations.

Scarring effects are expected to be much larger in emerging market and developing economies than in advanced economies-reflecting more limited policy support and generally slower vaccination-with output expected to remain below the pre-pandemic trend throughout the forecast horizon.

Global growth is projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 on an annual average basis. Compared with projections in the April 2023 WEO, growth has been upgraded by 0.2 percentage point for 2023, with no change for 2024. The forecast for 2023-24 remains well below the historical (2000-19) annual average of 3.8 percent. It is also below the historical average across broad income groups, in overall GDP as well as per capita GDP terms. Advanced economies continue to drive the decline in growth from 2022 to 2023, with weaker manufacturing, as well as idiosyncratic factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable shifts across regions. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to bottom out before the second half of 2023.

World trade growth is expected to decline from 5.2 percent in 2022 to 2.0 percent in 2023, before rising to 3.7 percent in 2024, well below the 2000-19 average of 4.9 percent. The decline in 2023 reflects not only the path of global demand, but also shifts in its composition toward domestic services, lagged effects of US dollar appreciation-which slows trade owing to the widespread invoicing of products in US dollars-and rising trade barriers.

The fight against inflation continues. Inflation is easing in most countries but remains high, with divergences across economies and inflation measures. Following the build-up of gas inventories in Europe and weaker-than-expected demand in China, energy and food prices have dropped substantially from their 2022 peaks, although food prices remain elevated. Together with the normalization of supply chains, these developments have contributed to a rapid decline in headline inflation in most countries. Core inflation, however, has on average declined more gradually and remains well above most central banks' targets. Its persistence reflects, depending on the particular economy considered, pass-through of past shocks to headline inflation into core inflation, corporate profits remaining high, and tight labor markets with strong wage growth, especially in the context of weak productivity growth that lifts unit labor costs. However, to date, wage-price spirals-wherein prices and wages accelerate together for a sustained period-do not appear to have taken hold in the average advanced economy, and longer-term inflation expectations remain anchored. In response to the persistence of core inflation, major central banks have communicated that they will need to tighten monetary policy further. The Federal Reserve paused rate hikes at its June meeting but signalled further ones ahead, and the Reserve Bank of Australia, Bank of Canada, Bank of England, and European Central Bank have continued to raise rates. At the same time, in some other economies, particularly in East Asia, where mobility curbs during the pandemic restricted demand for services longer than elsewhere, core inflation has remained low. In China, where inflation is well below target, the central bank recently cut policy interest rates. The Bank of Japan has kept interest rates near zero under the quantitative and qualitative monetary easing with yield curve control policy.

The ongoing climate emergency: Despite some steps on the path toward a green transition, global emissions are-on current trends-very likely to overshoot the Paris Agreement temperature goals by the end of the century and lead to catastrophic climate change (with low-likelihood outcomes such as the ice sheet collapse, abrupt ocean circulation changes, and some extreme events and warming that cannot be ruled out). Indeed, the effects of warming are already starting to show: droughts, forest fires, floods, and major hurricanes have become more frequent and more severe. And it is often those least able to cushion the blows of such events who are also most exposed to them. Depending on their implementation, policies to speed the green transition could have near-term inflationary effects which could weaken support for the vital climate policy agenda.

Risks to the Outlook

The balance of risks to global growth remains tilted downward, but adverse risks have receded since the publication of the April 2023 WEO. The resolution of US debt ceiling tensions has reduced the risk of disruptive rises in interest rates for sovereign debt, which would have increased pressure on countries already struggling with increased borrowing costs. The quick and strong action authorities took to contain banking sector turbulence in the United States and Switzerland succeeded in reducing the risk of an immediate and broader crisis.

Upside risks

More favourable outcomes for global growth than in the baseline forecast have become increasingly plausible. Core inflation could fall faster than expected-from greater-than-expected pass-through of lower energy prices and a compression of profit margins to absorb cost increases, among other possible causes--and declining job vacancies could play a strong role in easing labor markets, which would reduce the likelihood of unemployment having to rise to curb inflation. Developments along these lines would then reduce the need for monetary policy tightening and allow a softer landing. Scope exists for more favorable surprises to domestic demand around the world, as in the first quarter of 2023. In numerous economies, consumers have not yet drained the stock of

excess savings they accumulated during the pandemic; this could further sustain the recent strength in consumption. Stronger policy support in China than currently envisaged--particularly through means-tested transfers to households--could further sustain recovery and generate positive global spillovers. Such developments, however, would increase inflation pressure and necessitate a tighter monetary policy stance.

Downside risks

Despite the recent positive growth surprises, plausible risks continue to be skewed to the downside:

- **Inflation persists:** Tight labor markets and pass-through from past exchange rate depreciation could push up inflation and risk de-anchoring longer-term inflation expectations in a number of economies. The institutional setup of wage setting in some countries could amplify inflation pressures on wages. Moreover, El Niño (warming of the ocean surfaces) could bring more extreme temperature increases than expected, exacerbate drought conditions, and raise commodity prices. The war in Ukraine could intensify, further raising food, fuel, and fertilizer prices. The recent suspension of the Black Sea Grain Initiative is a concern in this regard. Such adverse supply shocks might affect countries asymmetrically, implying different dynamics for core inflation and inflation expectations, a divergence in policy responses, and further currency movements.
- **Financial markets reprice:** Financial markets have adjusted their expectations of monetary policy tightening upward since April 2023 but still expect less tightening than policymakers have signalled, raising the risk that unfavourable inflation data releases could--as in the first quarter of 2023--trigger a sudden rise in expectations regarding interest rates and falling asset prices. Such movements could further tighten financial conditions and put stress on banks and nonbank financial institutions whose balance sheets remain vulnerable to interest rate risk, especially those highly exposed to commercial real estate. Contagion effects are possible, and a flight to safety, with an attendant appreciation of reserve currencies, would trigger negative ripple effects for global trade and growth.
- **China's recovery underperforms:** Recent developments shift to the downside the distribution of risks surrounding China's growth forecast, with negative potential implications for trading partners in the region and beyond. The principal risks include a deeper-than-expected contraction in the real estate sector in the absence of swift action to restructure property developers, weaker-than-expected consumption in the context of subdued confidence, and unintended fiscal tightening in response to lower tax revenues for local governments.
- **Debt distress increases:** Global financial conditions have generally eased since the March 2023 episode of banking stress but borrowing costs for emerging market and developing economies remain high, constraining room for priority spending and raising the risk of debt distress. The share of emerging market and developing economies with sovereign credit spreads above 1,000 basis points remained at 25 percent as of June (compared with only 6.8 percent two years ago).
- **Geoeconomic fragmentation deepens:** The ongoing risk that the world economy will separate into blocs amid the war in Ukraine and other geopolitical tensions could intensify, with more restrictions on trade (in particular that in strategic goods, such as critical minerals); cross-border movements of capital, technology, and workers; and international payments. Such developments could contribute to additional volatility in commodity prices and hamper multilateral cooperation on providing global public goods.

Policy Priorities

- **Conquer inflation** - Central banks in economies with elevated and persistent core inflation should continue to clearly signal their commitment to reducing inflation. A restrictive stance--with real rates above neutral--is needed until there are clear signs that underlying inflation is cooling. Multilayered uncertainty complicates the task for central banks: Levels of neutral rates and lags of policy transmission are difficult to estimate with confidence, and the potency of the transmission mechanism may differ across economic sectors. In view of these uncertainties, adjusting policy in a data-dependent manner and avoiding a premature easing before price pressures have adequately receded is warranted, while continuing to use tools to maintain financial stability when needed. Although the primary responsibility for restoring price stability lies with central banks, legislated government spending cuts or tax increases aimed at ensuring public debt sustainability can, by reducing aggregate demand and reinforcing the overall credibility of disinflation strategies, further ease inflation. This is especially the case in countries with overheated economies and steep inflation-unemployment trade-offs.
- **Maintain financial stability and prepare for stress** - The fast pace of monetary policy tightening continues to put the financial sector under pressure. Strengthened supervision (by implementing Basel III and removing forbearance measures) and monitoring risks to anticipate further episodes of banking sector stress is warranted. The intensity of supervision must be commensurate with banks' risks and systemic importance, and it is essential to address oversight gaps in the nonbank financial sector. Macroprudential policy measures could be employed pre-emptively to address emerging risks in banks and nonbank financial institutions.

- **Rebuild fiscal buffers while protecting the vulnerable** - With fiscal deficits and government debt above pre-pandemic levels, credible medium-term fiscal consolidation is in many cases needed to restore budgetary room for maneuver and ensure debt sustainability. Sovereign spreads remain historically elevated, impeding market access for many economies reliant on short-term borrowing. Faster and more efficient coordination on debt resolution, including through the Group of Twenty (G20) Common Framework and the Global Sovereign Debt Roundtable, is needed to provide a positive signal that lowers short-term borrowing costs and to avoid the risk of debt crises' spreading. The recent agreement between Zambia and its official creditor committee is a welcome step in that direction.
- **Enhance the supply side and strengthen resilience to climate change** - Reforms that loosen labor markets-by encouraging participation and reducing job search and matching frictions-would facilitate fiscal consolidation and a smoother decline in inflation toward target levels. They include short-term training programs for professions experiencing shortages, passing labor laws and regulations that increase work flexibility through telework and leave policies, and facilitating regular immigration flows. Carefully designed industrial policies could be pursued--fiscal space permitting--if market failures are well established, but domestic-content requirements and barriers to trade should be avoided, as they can lower productivity, weaken trade relations, jeopardize food security, and hold back countries seeking to converge to higher income levels. A push on clean energy investment is necessary to ensure sufficient energy supplies given countries' decarbonization goals. Multilateral cooperation is essential to speed the green transition, mitigate climate change, and regulate potentially disruptive emerging technologies such as artificial intelligence.

Source: <https://www.imf.org>- World Economic outlook April 2023 and July 2023.

◆ Indian Overview

FY 2022-23 ended on a positive note, due to higher-than-expected agriculture output and strong government spending. However, high inflation, in particular for energy and food, and the ensuing monetary tightening to anchor expectations are weighing on purchasing power and household consumption, particularly in urban areas. Tighter financial market conditions are reflected in weakening credit-supported demand for capital goods, a good proxy for business investment. The merchandise trade deficit was 40% larger in FY 2022-23 than in FY 2021-22, with trade in petroleum accounting for over two-fifths of the deterioration. Although services export growth remains brisk and the sectoral surplus rose by 35%, it is insufficient to offset the imbalance in goods' trade. Low labour productivity is affecting the competitiveness of "Made in India" goods and participation in global value chains. The current account deficit narrowed in the October-December quarter to 2.2% of GDP, from 2.7% in the same period in FY 2021-22. Headline inflation has fallen below 6% (the central bank's upper bound of the tolerance band) since March 2023, mostly due to lower food prices, as well as base effects. Employment and wage estimates suggest improving labour market conditions in rural areas, while export-oriented service firms report increasing difficulties filling vacancies.

Despite an impressive growth and development record, daunting challenges remain. Weak global demand and the effect of monetary policy tightening to manage inflationary pressures will constrain the economy in FY 2023-24, limiting real GDP growth to 6%. Moderating inflation and monetary policy easing in the second half of 2024 will help discretionary household spending regain momentum. This, along with improved global conditions, will help economic activity to accelerate, with growth of 7% in real GDP in FY 2024-25.

Source: <https://www.imf.org>

The economy will not escape the global slowdown

After reaching 7.2% in FY 2022-23, real GDP growth is expected to slow to 6% in FY 2023-24, before rising to 7% in FY 2024-25. While indicators suggest that India's growth is stable for now, headwinds from the impact of rapid monetary policy tightening in the advanced economies, heightened global uncertainty and the lagged impact of domestic policy tightening will progressively take effect. With slower growth, inflation expectations, housing prices and wages will progressively moderate, helping headline inflation converge towards 4.5%. This will allow interest rates to be lowered from mid-2024. The trade restrictions (including export bans on various rice varieties) imposed in 2022 to fight inflation are assumed to be withdrawn. The current account deficit will narrow, reflecting abating import price pressures. Most risks to the projections are tilted to the downside. While banks' solvency ratios and financial results have improved and the authorities have enhanced loan-loss provisioning and established a 'bad bank', any deterioration of banks' asset quality could threaten macro-financial stability. In the run-up to the 2024 elections, fiscal consolidation may be delayed, and the conclusion of trade agreements may become more difficult. A potentially below-normal monsoon season

could also impact growth. Declining geopolitical uncertainty, on the other hand, would boost confidence and benefit all sectors, as would a faster-than-expected conclusion of free-trade agreements with key partners and the incorporation therein of services.

Climate change and gender gaps require targeted policies

More than half of the Indian population lives in the Indo-Gangetic Plain and is exposed to the increasingly frequent and extreme heatwaves caused by climate change. It is estimated that almost 100 000 extra lives are lost every year due to hot weather and the flooding that can follow. The economic costs are also large, including labour losses, a meagre wheat harvest, greater livestock mortality and power outages. Reducing global greenhouse gas emissions, including in India, will help limit such losses in the long term. However, measures that can immediately reduce the impact of extreme weather events are also needed, such as improved infrastructure to prevent flooding. Sustainable development also requires further progress in gender equality across many dimensions, including access to health, education and capital. Impressive results have been attained, for instance in financial inclusion, but substantial gaps remain. Policy formulation and execution should fully incorporate gender considerations and specific indicators. Enhanced policy efforts to increase childcare assistance, vocational training and life-long education for working women would also be welcome. Better enforcement of the land rights of women would strengthen their economic position and, by making it possible to use this asset as collateral, may also facilitate investments in climate mitigation and adaptation.

Source: *OECD ECONOMIC OUTLOOK, VOLUME 2023 ISSUE*

The government is expected to focus on a three-pronged strategy:

A well-balanced monetary policy: Amidst inflation concerns, the RBI is unlikely to let its guard down and will keep the monetary policy tight. The downside of the move is that higher policy rates will raise borrowing costs, which will in turn moderate credit growth (although it is very strong relative to the past five years).

While prioritizing stability is the need of the hour, the government cannot afford to overlook growth. India needs investments to remove supply bottlenecks and meet the rising demand. Low credit availability will impact capacity-building. In short, too much tightening will result in a vicious circle of low credit availability, investment, and supply, thereby causing further inflation. The RBI's latest move to halt the rate-hike cycle is an indication that the RBI also wants to keep economic growth into consideration as it aligns inflation with the target.

Amplify efforts in spending on infrastructure while consolidating expenses: Over the last year, investment flows from abroad have remained modest. The drying up of global liquidity due to tighter monetary policies in central banks across industrial countries resulted in low gross inward FDI to US\$61.5 billion during 2022-23 (April 2022-January 2023) from US\$70.5 billion a year ago.

The investment gap caused by low private and foreign investment has to be filled by the government through higher spending on infrastructure and improving the logistics ecosystem. Initiatives such as the National Infrastructure Pipeline, PM Gati Shakti, and National Logistics Policy (NLP), among others, are efforts in that direction. These will also improve logistics costs and efficiency and crowd in private investment. Thankfully, a study by the State Bank of India suggests that capital productivity has improved significantly over the last decade, and hence, any incremental investment spending will generate much larger output than it did in the past.

Capitalize on services as manufacturing ramps up: Emphasis on manufacturing and initiatives such as production-linked incentives will attract investment and those efforts must continue. At the same time, the government must take advantage of the rising demand for services worldwide. The services sector has shown promising growth in exports lately, thanks to global digitization efforts and greater acceptance among multinationals (MNCs) to run operations remotely. India must reap benefits where it has a comparative advantage and build a robust and efficient ecosystem to bring more MNCs to its shore. This will have a spill over on investments in the manufacturing space as well.

India Celebrating 75 years of Independence: Azadi Ka Amrit Mahotsav

Like the history of the freedom movement, the journey of 75 years after independence is a reflection of the hard work, innovation, enterprise of ordinary Indians. Whether in the country or abroad, we Indians have proved ourselves with our hard work. We are proud of our Constitution. We are proud of our democratic traditions. The mother of democracy, India is still moving forward by strengthening democracy. India, rich in knowledge and science, is leaving its mark from Mars to the moon.

The Azadi Amrit Mahotsav means elixir of energy of independence; elixir of inspirations of the warriors of freedom struggle; elixir of new ideas and pledges; and elixir of Aatmanirbharta. Therefore, this Mahotsav is a festival of awakening of the nation; festival of fulfilling the dream of good governance; and the festival of global peace and development.

Source: <https://amritmahotsav.nic.in/>

Chandrayaan-3, India's third lunar mission, was successfully launched on July 14, 2023, from the Satish Dhawan Space Centre in Sriharikota. India's private space-tech ecosystem is beaming with a vast horizon of opportunities. Just a couple of years ago, India's space economy was valued at over \$9.6 billion in 2020. By 2025, this could go up to \$13 billion, according to EY India. This sector will get a big boost from the launch of Chandrayaan-3 and in turn will set Indian economy to bloom.

◆ Our Industry

Our industry is mainly dependent on automobile and auto ancillary industries and other engineering industries however due to privatisation of defence and addition of new customer base to our existing customer base our growth is consequently linked to the future of these industries which is bright as of now. Brief outlook of automobile industry and Auto component industry, Electrical and fittings, Defence and aerospace industry (Engineering and Capital Goods Industry) together representing as "Our Industry" forms part of this report under "Outlook of Industry".

Outlook of Industry

In light of the above scenario and prevailing pandemic, humanitarian crisis and need to tackle climate change which present tossup scenario for the overall economy, we are optimistic that the "Our Industry" in India will continue to do well to have sustained performance in years to come.

● Automobile Industry

The Indian automotive industry is expected to reach US\$ 300 billion by 2026. Strong policy support from the Government will ensure growth in this sector. A study by CEEW Centre for Energy Finance recognised a US\$ 206 billion opportunity for electric vehicles in India by 2030. This will necessitate a US\$ 180 billion investment in vehicle manufacturing and charging infrastructure.

The automotive manufacturing industry comprises the production of commercial vehicles, passenger vehicles, three-wheelers, and two-wheelers. The Indian auto industry is expected to record strong growth in FY23, post recovering from the effects of the COVID-19 pandemic. Electric vehicles, especially two-wheelers, are likely to witness positive sales in FY23. A report by India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, a projection for the EV battery market is forecast to expand at a CAGR of 30% during the same period.

Focus shifting on electric cars to reduce emissions. The Government aims to transform India into an R&D hub. India could be a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicles. The electric vehicles industry is likely to create five crore jobs by 2030.

Automotive Mission Plan 2016-26 is a mutual initiative by the Government of India and the Indian automotive industry to lay down the roadmap for the development of the industry. The Government aims to develop India as a global manufacturing centre. In Union Budget 2022-23, the government announced an increased allocation of capex, a high target for national highways, and proposed an EV battery policy.

Source: <https://www.ibef.org/industry/automobiles-presentation>

● Auto Component Market

The Indian auto-components industry has experienced healthy growth over the last few years. The Indian auto components industry is expected to grow to US\$ 200 billion by FY2026. This growth will be backed by strong export demand which is expected to rise at an annual rate of 23.9% to reach US\$ 80 billion by 2026. The turnover of the automotive component industry grew 34.8% to Rs. 2.65 lakh crore (US\$ 33.8 billion) during April-September 2022 compared to the first half of the previous year.

The growth of global original equipment manufacturers' (OEM) sourcing from India & the increased indigenisation of global OEMs is turning the country into a preferable designing and manufacturing base. Due to a shift in supply chains, India can possibly increase its share in the global auto component trade to 4-5% by 2026. The auto components industry accounted for 2.3% of India's GDP and provided direct employment to 1.5 million people. The industry is estimated to be worth US\$ 200 billion contributing 5-7% of India's GDP by 2026. The global move towards electric vehicles will generate new opportunities for automotive suppliers.

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

● Indian Engineering and Capital Goods Industry

The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy. Demand in the engineering industry segment is driven by investments and capacity creation in core sectors like power, infrastructure developments, mining, oil and other sectors like the general manufacturing sector, automotive and process industries, and consumer goods industry. To enhance opportunities for private investment in infrastructure - Infrastructure Finance

Secretariat is being established who will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure and power.

Engineering Industry comprises of two major segments viz., Heavy engineering and light engineering. Machine tools forms vital part of heavy engineering segment. The Indian machine tool market size reached US\$ 1.4 billion in 2022. The market is expected to reach US\$ 2.5 billion by 2028, exhibiting a growth rate (CAGR) of 9.4% during 2023-28. The manufacturers of machine tools are mostly SMEs, few of them are mid-sized manufacturers which have an annual turnover varying between US\$ 36-60 million (Rs. 300-500 crore). The types of machine tools currently manufactured are general/special purpose machines, standard Computer Numerical Control (CNC) machines, gear cutting, grinding, medium size machines, electrical discharge machining (EDM), presses, press brakes, pipe bending, rolling, bending machines, etc.

Engineering accounts for about 25% of India's total global exports in the goods sector and is one of the largest foreign exchange earners. In FY22, India exported engineering goods worth US\$ 111.63 billion, a 45.51% YoY growth. Cumulative engineering exports for April-December 2022-23 stood at US\$ 79.83 billion. In December 2022, exports of engineering goods from India stood at US\$ 9.08 billion. India's engineering goods are exported to key markets such as the US, Europe, and China.

Growth drivers for the Indian engineering sector- POLICIES- New export policy in Uttar Pradesh, a policy aimed at promoting export growth and competitiveness and Voluntary Vehicle-Fleet Modernisation Programme (VVMP) launched by Prime Minister Mr. Narendra Modi in August 2021, also known as the Vehicle Scrapping Policy; INVESTMENT- With 100% FDI allowed through the automatic route, major international players such as Cummins, GE, ABB and Alfa Laval have entered the Indian engineering sector due to growth opportunities.

Source: <https://www.ibef.org/industry/indian-engineering-industry-analysis-presentation>

● Aerospace and Defense (A&D) Industry

Despite multiple significant challenges, the A&D industry has weathered the pandemic's disruption due to strong order books, and 2022 is expected to be the year where A&D companies will focus on rebuilding lost revenue streams, increasing agility in operations, and recalibrating supply networks to serve changing market demands. As the industry recovers, companies that focus on digital innovation could thrive, particularly those that prioritize greater efficiency in their engineering, manufacturing, and supply chain processes by implementing digital thread and smart factory solutions. By investing in digital initiatives across production and the supply network, A&D manufacturers can solve specific challenges such as fluctuating demand. This comprises data capture and analysis across their manufacturing footprint to identify breakpoints and opportunities for improvement. Moreover, the heightened use of digital technologies such as additive manufacturing and cognitive can contribute to a more sustainable future.

Source: <https://www2.deloitte.com/ch/en/pages/manufacturing/articles/aerospace-and-defense-industry-outlook.html>

◆ Outlook for the Company

The company has sufficient capacity and is looking out for export orders from USA, Turkey etc.; Other than export orders we are also concentrating on local markets. Overall growth depends on how the economy progress in the scenario explained above.

Nevertheless, the Company is now more focused on getting customers who are looking for application taps with special geometries, where the prices are good. Towards this objective, the Company participated in ACMEE Chennai Trade Centre, Chennai from December 09-13, 2021 and IMTEX 2023 at Bangalore city from January 19-21, 2023.

Along with increasing customer base the Company is also adding new products and improving levels of finished goods inventory to provide better services to our existing customers.

● Opportunities and Threats

The growth of global OEM sourcing from India and the increased indigenization of global OEM's is turning the country into a preferable designing and manufacturing base. India is expected to become the fourth largest automobiles producer globally by 2020 after China, US and Japan. Growing working population, rapid urbanization, boost in rural economy and rising middle class income are expected to remain key demand drivers. Other areas of opportunities explained above like electrical fittings, defense sector, aerospace, etc., are all growing very fast in India and we expect full benefits of growth from these sectors also.

Since auto sector is still our main market any down fall in the auto sector is likely to affect our industry. Also imports of cutting tools from China may pose a threat in some segments of our industry. The threat is medium, given the concentration of Industry clusters in specific strategic centers. However, now the Automobile industry wants proper services at local levels and materials are required just in time. We therefore have to keep specific inventories for different customers and have to supply to them immediately on the same

day when we get the order. Because of superior quality and prompt services we shall be able to overcome threats from imported tools in the years to come. However, it is likely that adverse after effects of COVID-19 on overall economy may pose certain threats and challenges to the business.

Further, clear cut policy of Government of India on E-vehicles is awaited. Once the policy is declared on this, we will have to review the total impact it will have on various cutting tools being manufactured by us.

- **Risks and Concerns**

The Company is exposed to external and internal risks associated with the business. The operations of the Company are directly dependent on the Automotive Industry and the cyclical nature of the industry affects us. General Economic conditions impact the automotive industry and in turn our operations as well. The Company is exposed to strong competitive pressures, both domestic and overseas. Company's established reputation, close customer relationships, ability to provide higher level of engineering design support and relentless drive for improvement gives us a competitive edge.

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

- **Internal control systems and their accuracy**

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

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

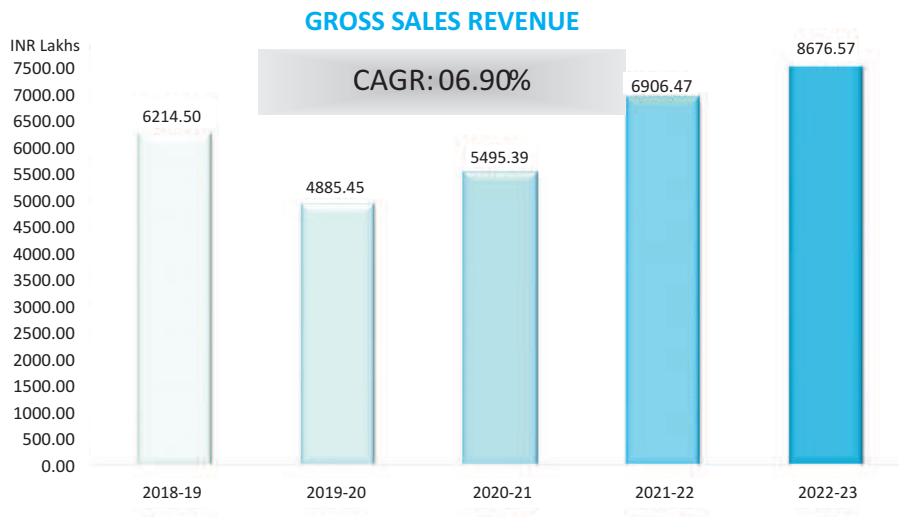
The company has constituted Audit Committee consisting of non-executive and independent Directors to look into various aspects of Accounts. The company has a clearly defined organization structure in place.

- ◆ **Discussion on Financial Performance with Respect To Operational Performance**

- **Revenue**

Gross Revenue from operations was INR 8861.57 lakh as recorded in the previous financial year 2022-23 with an increase of 25.15% reinforcing the business growth. This has been possible because of low base in previous year. We feel that business is yet to pick-up and if overall economy progress is well we will see further progress in the years to come.

The financial year continued to be un-conducive as the global economy witnessed financial turmoil and the harsh climate changes. In first half of 2022-23 sales marked for INR 4454.26 lakh which was 17.57% more as compared to second half of the financial year 2021-22. Post first half, the previous year was about to be conducive however there was financial turmoil in USA during the fourth quarter of the F.Y. 2022-23 which has worsen the situation leading to increase in oil and gas prices that in turn has resulted into mounted inflation around the world. During this period company has marked good amount of sales, domestic as well as international, though the increase in revenue seems more of an outcome of increased degree of inflation.



- **Profits**

The company has earned Profit before depreciation, Interest and Taxes (PBDIT) of INR 5987.67 lakh during the financial year under review over the previous financial year's PBDIT of INR 4744.29 lakh. The profit after tax for the financial Year 2022-23 was INR 4412.78 as against profit after tax of INR 3525.91 lakh for the financial year 2021-22.

- **Earnings per share (EPS)**

The basic and diluted EPS of INR10/- paid up share are INR 41.35 and INR 41.35 respectively for the financial year ended March 31, 2023. The basic and diluted EPS of INR 10/- paid up share is INR 33.04 and INR 33.04 respectively for financial year ended March 31, 2022.

- **Reserves and Surplus**

The Reserves and Surplus of the Company as on March 31, 2023 stood at INR 21,525.00 lakh as against INR 17,034.37 lakh as on March 31, 2022.

- ◆ **Net worth**

As on March 31, 2023 the Net worth of the company stands at INR 22,592.13 lakh as against INR 18,101.50 lakh in the financial year 2021-22.

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

- **Net Capital Turnover Ratio :** Net Capital Turnover Ratio for current year is 4.22 as against last year Net Capital Turnover Ratio of 2.95.
- **Inventory Turnover Ratio:** Inventory Turnover Ratio for current year is 6.43 as against previous year 8.50.

The Change in Net Capital Turnover ratio and Inventory Turnover ratio is due to the increased inventory held by the company as on date of Balance Sheet.

- ◆ **Details of any change in return on net worth as compared to the immediately previous financial year along with a detailed explanation thereof:**

Return on Net-Worth for current year is 19.53% as against previous year 19.48%. There is subtle change in Operating Profit Margin and Net Profit Margin has remain unchanged during the current year. Hence there is negligible change in the return on Net-worth ratio in the current year.

- ◆ **Segment Wise or Product Wise Performance**

The company has only two reportable segments viz. Engineering Tools and Power on Consolidation basis. Detailed reporting along with figures relating to each reportable segment is disclosed as a part of the notes to the accounts in Note no. 37.

- ◆ **Material Developments in Human Resources / Industrial Relations Front, Including Number of People Employed**

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



Cautionary statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, amongst others, economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

The information in this section is based on Industry sources and publications. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

* * * *

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
M/s Emkay Taps and Cutting Tools Limited
Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of M/s. Emkay Taps and Cutting Tools Limited ("the Company") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

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

accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Place: Nagpur

Date: 30/05/2023


UDIN : 22127522AJWIYD5778

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

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on Behalf of
M/S P.S. THAKARE & CO.
Chartered Accountants
FRN: 128572W

 Pushkar Thakare
Partner
Membership No. 162457

Annexure – A - To The Independent Auditor's Report

The annexure referred to in our independent auditor's report to the members of Emkay Taps And Cutting Tools Limited (“the Company”), on the Financial Statements for the period ended 31st March 2023, we report that:

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The company does not have any intangible assets.
- (b) All the Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us, the records examined by us and on examination of registered sale deeds provided to us, we report that the title deeds of all the immovable properties are held in the name of the company as at the Balance Sheet date.
- (d) The company has not undertaken any revaluation of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies in the verification of inventory were noticed.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees from ICICI Bank Ltd, in aggregate, from banks or financial institutions on the basis of security of current assets during the period under reporting and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) The company during the year has neither provided any guarantee or security nor granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. The investment made by the company during the year has been done in compliance of Section 186 and duly accounted in the books.
- (iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of sections 185 and 186 of the Companies Act in respect of loans, investments, guarantees, and security. There were no loans granted during the year under section 185 of the Act.
- (v) The company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31st, 2023 and thus the provisions of clause (v) of the Order are not applicable to the company.
- (vi) The company has maintained cost records as specified by the Central Government under sub- section (1) of section 148 of the Companies Act and such accounts and records have been so made and maintained.
- (vii) According to the information and explanation given to us, in respect of statutory dues :
 - (a) The company has been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities.
 - (b) The company does not have any disputed statutory dues during the period under reporting.
- (viii) As per the information available from the management and as per the books of accounts of the Company, we have not come across any instances where unrecorded income of the preceding years have been accounted in the Books of Accounts of the Company for the period under reporting.
- (ix) (a) The company has not defaulted in repayment of loans or other borrowings and in the payment of interest thereto any lender.
- (b) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) The term loans which were obtained by the company were applied for the purpose for which the loans were obtained.
- (d) The funds raised by the company on short term basis have not been utilized for long term purposes.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- (f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer during the year and hence reporting under clause (x) of the Order is not applicable to the company.
(b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, neither fraud by the company nor any fraud on the company has been noticed or reported during the year.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) We have considered whistle-blower complaints, if any, received during the year by the company;
- (xii) The company is not a Nidhi company and thus reporting under clause 3 (xii) of the Order is not applicable to the company.
- (xiii) In our opinion and according to the information and explanation given to us, the company is in compliance with provisions of section 177 and 188 of Companies Act where applicable, for all the transactions with the related parties and the details have been properly disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) The company has an internal audit system which commensurates with the size and nature of its business.
(b) The reports of the Internal Auditors for the period under audit were considered by us.
- (xv) In our opinion and according to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
(b) The company has not conducted any Non-Banking Financial or Housing Finance activity without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
(d) We have not come across to instance where the Group has more than one CIC as part of the Group.
- (xvii) The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) We have not found any instances wherein the Statutory Auditor of the Company has resigned during the period under reporting.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists, as on the date of the audit report, that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx) (a) In respect of other than ongoing projects, the company during the period under reporting does not have any unspent amount required to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
(b) The Company does not have any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- (xxi) There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements.

Place: Nagpur

Date: 30/05/2023

UDIN : 22127522AJWIYD5778

For and on Behalf of
M/S P.S. THAKARE & CO.
Chartered Accountants
FRN: 128572W

 **Pushkar Thakare**
Partner
Membership No. 162457

Annexure B - To The Independent Auditor's Report Of Even Date On The Standalone Financial Statements

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

We have audited the internal financial controls over financial reporting of Emkay Taps & Cutting Tools Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the "Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion


In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Nagpur

Date: 30/05/2023

UDIN : 22127522AJWIYD5778

For and on Behalf of
M/S P.S. THAKARE & CO.
Chartered Accountants
FRN: 128572W

 Pushkar Thakare
Partner
Membership No. 162457

**EMKAY TOOLS****Emkay Taps And Cutting Tools Limited**
Balance Sheet as on 31st March 2023

Figures in Lakh

PARTICULARS	Note. No.	Figures as at the end of 31 st March 2023	Figures as at the end of 31 st March 2022
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	4	1,067.13	1,067.13
(b) Reserves And Surplus	5	21,525.00	17,034.37
(2) Share Application Money Pending Allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	6	12.50	62.50
(b) Deferred Tax Liabilities (Net)	7	87.21	91.15
(4) Current Liabilities			
(a) Short-Term Borrowings	8	560.02	264.21
(b) Trade Payables	9	511.58	393.79
(c) Other Current Liabilities	10	615.05	532.43
(d) Short-Term Provisions	11	1,305.37	899.54
Total :		25,683.86	20,345.12
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Property, Plant and Equipment	12	1,644.57	1,903.32
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-Current Investments	13	18,746.80	14,410.10
(c) Deferred tax assets (net)			
(d) Long term loans and advances	14	24.62	14.20
(e) Other non-current assets		-	-
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	15	1,705.99	1,048.28
(c) Trade Receivables	16	1,964.15	1,739.98
(d) Cash And Cash Equivalents	17	128.94	124.39
(e) Short-Term Loans And Advances	18	32.16	36.30
(f) Other Current Assets	19	1,436.63	1,068.55
Total :		25,683.86	20,345.12
Cash Flow Statement		Note 1	
Significant Accounting Policies		Note 2 & 3	
Notes forming Part of Balance Sheet		Note 4 to 46	

For Emkay Taps And Cutting Tools Ltd.

Ajayprakash Kanoria
Chairman,
Managing Director & CEO
DIN No : 00041279

As Per My Report of Even Date Attached
For **M/s P.S. Thakare & Company**
Chartered Accountant
FRN 128572W

Shruti Sohane
Company Secretary

V.K Sontakke
Chief Finance Officer

Pushkar Thakare
Partner
Membership No. 162457

Place : Nagpur
Dated : 30/05/2023
UDIN : 23162457BGYVKE2187

**EMKAY TOOLS****Emkay Taps And Cutting Tools Limited****Profit and Loss Account for the Year Ended 31st March 2023**

Figures in Lakh

PARTICULARS	Note No.	For the year ended 31 st March 2023	For the year ended 31 st March 2022
I. Revenue From Operations	20	8,861.57	7,080.67
II. Other Income	21	1,641.65	1,387.16
III. Total Income		10,503.22	8,467.83
IV Expenses			
(a) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(308.13)	(190.66)
(b) Cost of Raw Material Consumed	23	1,330.37	964.60
(c) Cost of Stores Consumed	24	174.46	143.38
(d) Cost of Packing Material Consumed	25	79.05	60.18
(e) Cost of Trading Goods Consumed	26	5.69	1.23
(f) Manufacturing Expenses	27	1,798.56	1,552.41
(g) Windmill Expenses	28	56.69	59.04
(h) Shares Expenses	29	85.99	77.05
(i) Employee Benefit Expenses	30	606.50	490.87
(j) Administration Expenses	31	557.13	466.83
(k) Selling & Distribution Expenses	32	129.24	98.61
(l) Finance Costs	33	14.27	11.31
(m) Depreciation And Amortization Expenses	34	311.14	333.41
Total Expenses :		4,840.96	4,068.26
V. Profit Before Exceptional And Extraordinary Items And Tax	[III - IV]	5,662.26	4,399.57
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items And Tax	[V - VI]	5,662.26	4,399.57
VIII. Extraordinary Items		-	-
IX. Profit Before Tax	[VII - VIII]	5,662.26	4,399.57
X. Tax Expenses :			
(a) Income Tax	35	1,253.42	869.87
(b) Deferred Tax		(3.94)	3.79
XI. Profit / (Loss) From The Period From Continuing Operations	[IX - X]	4,412.78	3,525.91
XII. Profit / (Loss) From Discontinuing Operations		-	-
XIII. Tax Expense of Discounting Operations		-	-
XIV. Profit / (Loss) From Discontinuing Operations After Tax	[XII - XIII]	-	-
XV Profit / (Loss) For The Period	[XI + XIV]	4,412.78	3,525.91
XVI Earning per equity share :	36		
(1) Basic		41.35	33.04
(2) Diluted		41.35	33.04

For Emkay Taps And Cutting Tools Ltd.

Ajayprakash Kanoria
Chairman,
Managing Director & CEO
DIN No : 00041279

Shruti Sohane
Company Secretary

V.K Sontakke
Chief Finance Officer

As Per My Report of Even Date Attached
For M/s P.S. Thakare & Company
Chartered Accountant
FRN 128572W

Pushkar Thakare
Partner
Membership No. 162457

Place : Nagpur
Dated : 30/05/2023
UDIN : 23162457BGVYKE2187



Emkay Taps And Cutting Tools Limited

Note 1

Statement of Cash Flow

Figures in Lakh

Particulars	For the year ended	
	31.03.2023	31.03.2022
Cash Flow From Operating Activities:		
Profit before tax	5,662.26	4,399.57
Adjustment for:		
Depreciation & Amortisation Expenses	311.14	333.41
Interest Paid	14.27	11.31
- Interest Received / Other Non Operative Receipt	(1,628.53)	(1,383.45)
Operating Profit before Working Capital Changes	4,359.14	3,360.84
Movement in working capital		
Decrease / (Increase) in inventories	(657.71)	(431.28)
Decrease / (Increase) in trade receivable	(224.18)	64.52
Decrease / (Increase) in short term loans & advances	4.14	124.01
Decrease / (Increase) in other current assets	122.31	573.52
Increase / (Decrease) in trade payable	117.79	124.18
Increase / (Decrease) in other current liabilities	82.62	178.77
Increase / (Decrease) in short term provisions	1.94	4.39
Cash Generated from Operation	3,806.05	3,998.95
Taxes Paid (Net of Refunds)	(1,262.06)	(785.33)
Net Cash from Operating Activities	2,543.99	3,213.62
Cash Flow Used In Investing Activities:		
Fixed Asset Purchased (Net)	(51.73)	(246.97)
Interest Received / Other Non Operative Receipt	1,627.86	1,307.30
Adjustment for:		
Long Term Loan & Advances	(10.41)	(0.13)
Non Current Investments	(4,336.70)	(4,545.33)
Other Non Current Assets	-	-
Net Cash flow used in Investing Activities	(2,770.98)	(3,485.13)
Cash Flow From Financing Activities:		
Payment on Buy Back of Share Capital	-	-
Proceeds from Short term borrowings	295.81	264.21
Proceeds from Long term borrowings	(50.00)	62.50
Payment of Dividend and tax on it	-	-
Interest paid	(14.27)	(11.31)
Net Cash flow from Financing Activities	231.54	315.40
Net Increase / (Decrease) in Cash & Cash Equivalents	4.55	43.89
Cash & Cash Equivalents at the beginning of the year	124.39	80.50
Cash & Cash Equivalents at the end of the year	128.94	124.39

Notes:-

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 On Cash Flow Statements as recommended by Companies Accounting Standard Rules, 2006
- Figures in Brackets represents outflow

For Emkay Taps And Cutting Tools Ltd.

Ajayprakash Kanoria
Chairman,
Managing Director & CEO
DIN No : 00041279

As Per My Report of Even Date Attached
For M/s P.S. Thakare & Company
Chartered Accountant
FRN 128572W

Shruti Sohane
Company Secretary

V.K Sontakke
Chief Finance Officer

Pushkar Thakare
Partner
Membership No. 162457

Place : Nagpur
Dated : 30/05/2023
UDIN : 23162457BGYVKE2187

Emkay Taps And Cutting Tools Limited

Notes Forming Part of the Financial Statements

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

Note	Particulars
3.8	<p>Investment</p> <p>Current Investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term investments are carried at cost. Provision for diminution in the value of Long Term Investments in made only if; such a decline is other than temporary.</p>
3.9	<p>Inventory</p> <p>The inventories, i.e. Raw Materials, Stores and spares, Finished Goods etc. have been value at lower of cost or net realisable value. Cost of Inventories comprises of all costs of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. The cost of raw Material and Stores & Spares is determined at Weighted Average Cost basis. By-products are valued at Net Realisable value. The cost of work in progress and finished stock is determined on the absorption costing method. The value of Finished Goods includes Excise Duty wherever applicable.</p>
3.10	<p>Employee Benefits</p> <p>The Company makes contribution towards Provident Fund and ESIC to a defined contribution retirement benefit plan for qualifying employees. The provident plan is operated is operated partly by Regional Provident Fund Commissioners and partly by an independent Trust, ESIC by Government agencies. Under the said schemes the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit schemes to the fund benefits.</p> <p>Short Term Employee Benefits are recognized as an expense in the year in which the related service is rendered at the undiscounted amount in the statement of Profit and Loss.</p> <p>During the Period, the company has recognised Rs. 15,37,988/- for Provident Fund contribution, Rs. 1,42,369/- for ESIC. The Contributions payable to these plans by the Company are at the rates specified in the rules of the Schemes.</p>
3.11	<p>Cash Flow Statements</p> <p>The Cash Flow Statement of the Company has been prepared as per Accounting Standard - 3 : "Statement of Cash Flow" as prescribed by the Institute of Chartered Accountants of India using the Indirect Method.</p>
3.12	<p>Impairment of assets</p> <p>An impairment loss is recognized wherever the carrying amount of fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.</p>
3.13	<p>Segment Reporting</p> <p>The segment reporting of the Company as prepared in the Notes to Accounts of the Company has been prepared in accordance with the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. For the purpose of Reporting the Company has Two (2) segments as mentioned below which are considered as primary segments based on Business undertaken by the Company.</p> <p>Segment A : Manufacturing of Taps & Cutting Tools</p> <p>Segment B : Production of Power through Windmill</p>
3.14	<p>Provisions and contingencies</p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. The Accounting Standard - 29 issued has been duly followed while preparing the Balance Sheet for the year ended on 31st March 2023.</p>



Emkay Taps And Cutting Tools Limited

Note Forming Part of Balance Sheet as on 31st March, 2023

Note 4 : SHARE CAPITAL

Figures In Lacs

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
Authorised 1,20,00,000 Share of Rs. 10/- Each	1,200.00	1,200.00
Issued and Subscribed 1,06,71,300 Shares of Rs. 10/- Each Fully Paid Up	1,067.13	1,067.13
Paid Up 1,06,71,300 Shares of Rs. 10/- Each Fully Paid Up	1,067.13	1,067.13
TOTAL :	1,067.13	1,067.13

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

	As on 31 st March 2023		As on 31 st March 2022	
	No. of Share	In INR	No. of Share	In INR
Number of shares at the beginning of the year	10671300.00	1,067.13	10671300.00	1,067.13
Add : Alloted during the year				
On Preferential Basis	-	-	-	-
On Rights Issue	-	-	-	-
On Bonus Issue	-	-	-	-
Less : Buy Back during the year	-	-	-	-
Number of shares at the end of the year	10671300.00	1,067.13	10671300.00	1,067.13

4.2 Terms/Rights attached to equity Shares

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

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

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

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

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

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

	As on 31 st March 2023		As on 31 st March 2022	
	No. of Share	% Holding	No. of Share	% Holding
1. Ajayprakash Kanoria (HUF)	4353960	40.80%	4353960	40.80%
2. Alka Ajayprakash Kanoria	1124190	10.53%	1124190	10.53%
3. Nagpur Tools Pvt. Ltd.	1893600	17.74%	1893600	17.74%
4. Ajayprakash Kanoria	628050	5.89%	628050	5.89%
5. Sudarshan Trading & Manufacturing Pvt. Ltd.	1045800	9.80%	1045200	9.79%
6. Anmesh Trade & Investments	566400	5.31%	566400	5.31%

4.8 Details of Share holding by Promoters in the company.

Promoter Name	No. of Shares as on 31/03/2023	% of total shares	% Change during the year
1. Ajayprakash Murlidhar Kanoria (HUF)	4353960	40.80%	-
2. Nagpur Tools Private Limited	1893600	17.74%	-
3. Alka Ajayprakash Kanoria	1124190	10.53%	-
4. Ajayprakash Murlidhar Kanoria	628050	5.89%	-
5. Apoorvashree Kanoria	1500	0.01%	-
6. Adishree Engineering Pvt. Ltd.	1500	0.01%	-
TOTAL	8002800	74.99%	

Note 5 : RESERVE AND SURPLUS

Particulars		As on 31 st March 2023		As on 31 st March 2022
Share Premium Account				
Balance as per last Balance Sheet	420.41		420.41	
Less: Withdrawal During the Year	-	420.41	-	420.41
Sicom Capital Incentive Reserve				
Balance as per last Balance Sheet	29.75		29.75	
Add : Addition during the year	-	29.75	-	29.75
D.C.V.L. Subsidy				
Balance as per last Balance Sheet	9.71		9.71	
Add : Addition during the year	-	9.71	-	9.71
" Industrial Promotion Subsidy (From Govt. of Maharashtra under Package Scheme) "				
Balance as per last Balance Sheet	150.11		150.11	
Add : Addition during the year	77.84	227.95	-	150.11
Profit & Loss Account				
Balance as per last Balance Sheet	16,424.40		12,897.87	
Add : Profit During the year	4,412.78		3,525.91	
Add : Dividend Income Short Accounted Last Year	-	20,837.18	0.62	16,424.40
TOTAL :		21,525.00		17,034.37

Note 6 : LONG TERM BORROWINGS

Particulars	As on 31 st March, 2023	As on 31 st March, 2022
Secured Loans		
ICICI Bank Term Loan	12.50	62.50
(Secured against Hypothecation of Current Assets and movable Fixed Assets)		
TOTAL	12.50	62.50

Note 7 : DEFERRED TAX LIABILITIES

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Liabilities arising out of Fixed Assets				
Balance as per Last Balance Sheet	91.15		87.36	
Asset Created During the Year	3.94	87.21	(3.79)	91.15
TOTAL :		87.21		91.15

Note 8 : SHORT TERM BORROWINGS

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
ICICI Bank Ltd :	508.09		214.21	
Cash Credit Account No. : 624251000017 (Secured Against Hypothecation of Entire Current Assets including Inventory, book debts & Receivable)				
ICICI Bank Ltd :	50.00		50.00	
Current Maturity of Long Term Loan due within 12 months (Secured against Hypothecation of Current Assets and movable Fixed Assets)				
ICICI Bank Ltd :	1.93		-	
FD Overdraft Account No. : 624205019910 (Secured Against FDR)	560.02			264.21
TOTAL	560.02			264.21

Note 9 : TRADE PAYABLES

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Due to :				
Micro and Small Enterprises	19.76		25.74	
Other Payables	346.73		291.41	
Related Party	145.09	511.58	76.64	393.79
(Refer Note No 43 for Trade payables ageing Schedule)				
TOTAL :		511.58		393.79

Note 10 : OTHER CURRENT LIABILITIES

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Deposits & Advances Received	12.50		66.79	
Liability For Expenses	324.43		255.66	
Statutory Liabilities	274.74		204.66	
Other Credit Balances	3.38	615.05	5.32	532.43
TOTAL :		615.05		532.43

Note 11 : SHORT TERM PROVISIONS

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
For Employee Benefits	25.61		23.21	
For Others	1,279.76	1,305.37	876.33	899.54
TOTAL :		1,305.37		899.54



Note 12
PROPERTY, PLANT & EQUIPMENT

PARTICULARS	RATE OF DEP.	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		BALANCE AS ON 01-04-2022	ADDITION DURING THE YEAR	SALE/ TRANSFER DURING THE YEAR	BALANCE AS ON 31-03-2023	BALANCE AS ON 01-04-2022	DEPRECIATION DURING THE YEAR	DEPRECIATION REVERSED	BALANCE AS ON 31-03-2023	BALANCE AS ON 31-03-2022
Land No. 1	0.00%	13.50	-	-	13.50	-	-	-	13.50	13.50
Land No. 2	0.00%	7.67	-	-	7.67	-	-	-	7.67	7.67
Building No. 1	9.50%	331.06	-	-	331.06	137.47	18.39	-	175.20	193.59
Building No. 2	9.50%	38.34	-	-	38.34	29.22	0.87	-	8.25	9.11
Furniture & Fixture	25.89%	51.93	0.50	-	52.43	28.40	5.93	-	18.10	23.52
Mobile Phone	63.16%	8.65	-	-	8.65	6.29	1.31	-	1.05	2.36
Office Equipments	45.07%	27.58	2.15	-	29.73	22.21	2.34	-	5.18	5.38
Plant & Machinery	18.10%	3,298.77	38.01	-	3,336.78	2,158.14	207.40	-	971.24	1,140.63
Generator	18.10%	8.97	-	-	8.97	8.52	-	-	0.45	0.45
Compressors	18.10%	33.58	1.60	-	35.18	17.95	2.90	-	14.33	15.64
Transformers	18.10%	9.93	-	-	9.93	5.11	0.87	-	3.95	4.82
Transport Trolleys	18.10%	0.62	-	-	0.62	0.44	0.03	-	0.15	0.18
Coolant Tower (L-6)	18.10%	8.12	-	-	8.12	3.66	0.81	-	3.65	4.46
Coolant Tower (B-27)	18.10%	9.94	0.83	-	9.94	1.57	1.52	-	6.85	8.37
Air Conditioners	18.10%	25.23	-	-	26.06	17.65	1.35	-	7.06	7.58
Elevator (Lift)	18.10%	6.74	-	-	6.74	2.56	0.76	-	3.42	4.18
Computers	63.16%	65.35	4.44	-	69.79	52.00	8.16	-	9.63	13.35
Computer Software	63.16%	6.00	-	-	6.00	5.70	-	-	0.30	0.30
Inspection Equipments	18.10%	47.16	5.35	-	52.51	31.97	2.98	-	17.56	15.19
Electricals Installations	25.89%	35.66	-	-	35.66	26.62	2.14	-	6.90	9.04
Fax Machine	18.10%	1.08	-	-	1.08	1.03	-	-	0.05	0.05
Pollution Control Equipment	18.10%	12.50	-	-	12.50	9.74	0.45	-	2.31	2.76
Motor Car	31.23%	133.62	-	8.00	125.62	87.09	13.59	6.56	31.50	46.53
Loader E-Cart (Electric Rickshaw)	31.23%	1.18	-	-	1.18	0.76	0.13	-	0.29	0.42
Motor Cycle	25.89%	1.98	0.94	-	2.92	1.75	0.17	-	1.00	0.22
Fire Safety Equipment	18.10%	10.15	-	-	10.15	2.13	1.45	-	6.57	8.02
Solar Plant	8.20%	72.49	-	-	72.49	6.02	5.45	-	61.02	66.47
TOTAL (A) :		4,267.80	53.82	8.00	4,313.62	2,664.00	279.00	6.56	1,377.18	1,603.79
WIND MILL DIVISION :										
Wind Mill [Mysore]	12.73%	612.91	-	-	612.91	521.91	11.58	-	79.42	91.00
Wind Mill 2 [Rajasthan]	12.73%	828.00	-	-	828.00	666.47	20.56	-	140.97	161.53
Lease Hold Land [Rajasthan]	0.00%	15.00	-	-	15.00	-	-	-	15.00	15.00
Lease Hold Land 2 [Rajasthan]	0.00%	32.00	-	-	32.00	-	-	-	32.00	32.00
TOTAL (B) :		1,487.91	-	-	1,487.91	1,188.38	32.14	-	267.39	299.53
TOTAL (A+B) :		5,755.71	53.82	8.00	5,801.53	3,852.38	311.14	6.56	1,644.57	1,903.32
PREVIOUS YEAR :		5,455.56	332.82	32.68	5,755.70	3,549.59	333.41	30.62	1,903.32	1,905.97

Note 13
NON-CURRENT INVESTMENTS

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
a) In Mutual Funds	2,568.69		1,811.82	
b) In Quoted Equity Shares	10,958.54		9,359.78	
c) In Unquoted Equity Shares	164.94		9.79	
d) In Portfolio Management Service (PMS)	3,935.38		3,223.39	
e) In Fixed Deposit Receipts	1,119.25	18,746.80	5.32	14,410.10
TOTAL :		18,746.80		14,410.10

Note : No diminution in value, if any, has been ascertained in case of Mutual Funds/Quoted Equity Shares/Unquoted Equity Shares held by the Company and have been recorded in the books at the Cost of Purchase by the Management. (Kindly refer attached Annexure listing non-current investments)

Note 14
LONG TERM LOANS AND ADVANCES

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

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
a) Capital Advances (Unsecured and considered good)	0.22		0.22	
b) Security Deposits	24.40		13.98	
c) Other Loans & Advances	-	24.62	-	14.20
TOTAL :		24.62		14.20

Note 15
INVENTORIES

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

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Raw Material	691.81		348.93	
Consumable Stores	17.07		13.15	
Work In Progress	103.51		71.42	
Finished Goods	890.61		614.13	
Trading Goods	2.83		0.07	
Scrap Material (At Estimated Realisable Value)	0.16	1,705.99	0.58	1,048.28
TOTAL :		1,705.99		1,048.28

Note 16
TRADE RECEIVABLES

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
a) Secured & Considered Good	-		-	
b) Unsecured & Considered Good	1,964.15		1,739.98	
c) Considered Doubtful (Refer Note No. 43 for Trade Receivables ageing Schedule)	-	1,964.15	-	1,739.98
TOTAL :		1,964.15		1,739.98



Note 17

CASH AND CASH EQUIVALENTS

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Cash in Hand (As certified by the Management)	3.30		1.70	
Balances with Bank	125.64	128.94	122.69	124.39
TOTAL :		128.94		124.39

Note 18

SHORT TERM LOANS AND ADVANCES

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Advances with the Suppliers	7.65		5.63	
Loans & Advances to Staff	13.38		11.50	
Other Advances	11.13	32.16	19.17	36.30
TOTAL :		32.16		36.30

Note 19

OTHER CURRENT ASSETS

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Advances with Revenue Authorities	1,353.46		875.32	
Other Debit Balances	83.17	1,436.63	193.23	1,068.55
TOTAL :		1,436.63		1,068.55

Note 20

REVENUE FROM OPERATIONS

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
1. Domestic Sale				
Sale of Taps & Tools				
a) Sales	10,030.44		8,055.04	
b) Deemed Export Sales (SEZ)	22.69		21.21	
TOTAL:-	10,053.13		8,076.25	
Less : CGST Receipts	292.10		238.46	
: SGST Receipts	292.10		238.46	
: IGST Receipts	945.32		751.29	
: Discount & Rate Difference	133.72		105.29	
: Sales Return	50.33		41.54	
: T.C.S. Receipts	3.53	8,336.03	3.45	6,697.76
2. Export Sale				
a) Sale of Taps & Tools	331.98	331.98	207.25	207.25
3. Trading Sale				
a) Trading Sale	10.13		1.71	
Less : CGST, SGST, IGST & TCS	1.55		0.26	
Less : Sales Return	0.02	8.56	-	1.45
4. Scrap Sale				
a) Scrap Sale	46.81		26.64	
Less : CGST, SGST, IGST & TCS	7.47	39.34	4.25	22.39
5. Power Generation Unit Sale				
Power Generation Unit Sale	146.38		146.57	
Less : Discount	0.79	145.59	0.56	146.01
6. Licence Sales	-			5.81
7. Job Work Receipts		0.07		-
TOTAL :		8,861.57		7,080.67

Note 21
OTHER INCOME

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Dividend Received		186.23		111.29
Duty Draw Back Receipts		5.93		3.70
Rodtep Duty Receipts		6.71		-
Exchange Rate Fluctuation		2.98		5.86
F.D.R. Interest Received		26.57		0.36
Interest Received		4.55		3.34
Sales Tax Refund Received		0.48		-
Profit on Sale of Machinery		-		71.00
Profit on Sale of Motor Car		0.67		5.15
Short Term Capital Gain	242.15		853.62	
Less : Short Term Capital Loss	170.07	72.08	119.24	734.38
Long Term Capital Gain	1,498.71		582.15	
Less : Long Term Capital Loss	422.43	1,076.28	224.98	357.17
Short Term Gain on Mutual Fund	1.06		1.06	
Less : Short Term Loss on Mutual Fund -		1.06		1.06
Long Term Gain on Mutual Fund	258.11		93.85	
Less : Long Term Loss on Mutual Fund -		258.11		93.85
TOTAL :		1,641.65		1,387.16

Note 22
CHANGES IN INVENTORY

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
1. Finished Goods :				
Opening stock	614.13		459.45	
Less : Closing stock	890.61	(276.48)	614.13	(154.68)
2. Work-In-Progress :				
Opening stock	71.42		31.76	
Less : Closing stock	103.51	(32.09)	71.42	(39.66)
3. Scrap Material :				
Opening stock	0.58		4.26	
Add : Purchase of Scrap	0.02	-	4.26	
Less : Closing stock	0.16	0.44	0.58	3.68
TOTAL :	0.60	(308.13)		(190.66)

Note 23
COST OF RAW MATERIAL CONSUMED

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Opening Stock	348.93		119.97	
Add : Purchase of Raw Material	1,658.69		1,180.21	
Add : Purchase of HSS Taps	14.56		13.35	
	2,022.18		1,313.53	
Less : Closing Stock of Raw Material	691.81	1,330.37	348.93	964.60
TOTAL :		1,330.37		964.60

Note 24

COST OF STORES CONSUMED

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Opening Stock	13.15		1.50	
Add : Purchase of Consumable Stores	178.38		155.03	
Less : Closing stock of Consumable Stores	17.07	174.46	13.15	143.38
TOTAL :		174.46		143.38

Note 25

COST OF PACKING MATERIAL CONSUMED :

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Purchases		79.05		60.18
TOTAL :		79.05		60.18

Note 26

COST OF TRADING GOODS CONSUMED

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Opening Stock	0.07		0.04	
Add : Purchase of Trading Goods	8.45		1.26	
Less : Closing stock of Trading Goods	2.83	5.69	0.07	1.23
TOTAL :		5.69		1.23

Note 27

MANUFACTURING EXPENSES :

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Building Repairs	23.39		28.38	
Electricity Charges	163.27		125.33	
Freight & Octroi	11.61		6.89	
Job Work Expenses	1,478.08		1,278.07	
Repairs and Maintenance	118.61		110.87	
Testing Expenses	0.17		0.06	
Water Charges	2.42		2.81	
Generator Expenses	1.01		-	
TOTAL :		1,798.56		1,552.41

Note 28

WINDMILL EXPENSES :

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Insurance (Wind Mill)	1.07		1.09	
Repairs & Maintenance	54.94		57.46	
Electricity Charges	-		0.12	
Lease Rent Charges	0.68		0.08	
Electrical Inspection Charges	-		0.29	
TOTAL :		56.69		59.04

Note 29

SHARES EXPENSES :

Particulars	As on 31 st March, 2023	As on 31 st March, 2022
PMS Portfolio Management Fees & Expenses	70.79	59.03
PMS Portfolio Security Transaction Tax	3.28	3.33
Security Transaction Tax	8.83	11.17
Stamping Charges	0.73	0.92
Stock Holding Expenses	-	0.03
Transaction Charges	0.35	0.36
Share Expenses	0.06	0.13
SEBI Tax	0.01	0.01
SGST & CGST on Shares	1.94	2.07
TOTAL :	85.99	77.05

Note 30

EMPLOYEE BENEFIT EXPENSES :

Particulars	As on 31 st March, 2023	As on 31 st March, 2022
Bonus	27.17	25.77
E. S. I. C.	1.42	1.47
Exgratia	16.04	10.68
Gratuity	7.12	5.33
Incentive A/c.	73.83	55.40
Labour Welfare	10.95	7.85
Leave with Wages	1.45	2.41
Medical Expenses	0.64	0.50
Provident Fund	15.38	13.52
Stipend	100.90	75.94
Salary and Wages	351.60	292.00
TOTAL :	606.50	490.87

Note 31

ADMINISTRATION EXPENSES :

Particulars	As on 31 st March, 2023	As on 31 st March, 2022
Profession Tax	0.05	0.05
Bank Charges	2.48	2.21
Books and Periodicals	0.08	0.09
Car Expenses	8.56	4.88
Computer Software Expenses	5.49	1.79
Conveyance Expenses	20.16	17.85
Consultancy Fees	1.52	0.65
CSR Expenses	51.93	45.79
Director Travelling Expenses	12.27	5.35
Donation	0.26	0.02
Insurance	9.10	10.35
Interest on Service Tax, GST & TDS	0.21	1.11
Internet / Website Expenses	2.33	1.27
Keyman Insurance	25.00	25.00
Legal and Professional Expenses	20.96	11.49
Licence Fees	2.61	0.82
Membership Fees and Subscription	1.63	0.93
Office Expenses	8.32	7.16
Postage & Telegram Expenses	0.69	0.57

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Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Printing and Stationery	10.05		6.74	
Rent, Rates and Taxes	5.55		4.59	
Security Service Charges	8.45		7.43	
Sundry Balances W/Off	3.08		20.68	
Telephone Expenses	4.52		4.52	
Traveling Expenses	15.87		8.25	
GST / VAT Audit Fees	1.20		1.44	
Cenvat/Excise Expenses	-		1.25	
VAT/CST Expenses	1.32		4.93	
GST Expenses	0.86	224.55	0.03	197.24
Payment to Directors				
- For Remuneration	283.11		219.98	
- For Salary	48.00		48.00	
- For Sitting Fees	0.47	331.58	0.61	268.59
Payment to Auditors				
- For Audit	1.00		1.00	
- For Taxation	-		-	
- For Consultancy & Others	-	1.00	-	1.00
TOTAL :		557.13		466.83

Note 32

SELLING AND DISTRIBUTION EXPENSES :

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Advertisement	26.91		11.74	
Carriage Outward	55.04		50.88	
Commission on Sales	22.57		18.21	
Entertainment Expenses	1.01		0.31	
Hospitality Expenses	0.16		0.43	
Sales Promotion	7.27		2.66	
Sales Promotion & Consultancy Charges	16.28		14.38	
TOTAL :		129.24		98.61

Note 33

FINANCE COST :

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Bank Interest	5.99		2.92	
Interest on Term Loan	8.28		8.39	
TOTAL :		14.27		11.31

Note 34

DEPRECIATION & AMORTISATION EXPENSES :

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
Depreciation for the Year	311.14		333.41	
Less:- Depreciation reversed	-	311.14	-	
TOTAL :		311.14		333.41

Note 35

INCOME TAX EXPENSES :

Particulars	As on 31 st March, 2023	As on 31 st March, 2022
Current Year Income Tax Provision	1,265.90	862.00
Add : Tax for Earlier Year	1.42	-
: Short Provision of Income Tax of Earlier Year	-	12.76
Less : Excess provision of income Tax Earlier Year	13.90	4.89
TOTAL :	1,253.42	869.87

Note 36

EARNING PER SHARE

Particulars	As on 31 st March, 2022	As on 31 st March, 2021
(A) Profit for the Year	4,412.78	3,525.91
(B) Weighted Average Number of Shares	106.71	106.71
Basic Earning Per Share	41.35	33.04
Diluted Earning per Share	41.35	33.04

For Emkay Taps And Cutting Tools Ltd.

 **Ajayprakash Kanoria**
Chairman,
Managing Director & CEO
DIN No : 00041279

As Per My Report of Even Date Attached
For **M/s P.S. Thakare & Company**
Chartered Accountant
FRN 128572W

 **Shruti Sohane**
Company Secretary

 **V.K Sontakke**
Chief Finance Officer

 **Pushkar Thakare**
Partner
Membership No. 162457

Place : Nagpur
Dated : 30/05/2023
UDIN : 23162457BGYVKE2187

Note 37
SEGMENT REPORTING

Particulars	31 st March 2023				31 st March 2022			
	Tools	Power	Others	Total	Tools	Power	Others	Total
Revenues								
Sales to External Customers	8,733.61	149.49	1,620.12	10,503.22	7,021.01	148.90	1,297.92	8,467.83
Total Segmental Revenues	8,733.61	149.49	1,620.12	10,503.22	7,021.01	148.90	1,297.92	8,467.83
Segmental Result								
Profit before Interest	4,247.34	57.23	1,371.96	5,676.53	3,483.30	52.20	875.38	4,410.88
(net of allocated corporate expenses)								
Less: unallocated corporate expenses								
(Net of Other Income)								
Operating Profit	4,247.34	57.23	1,371.96	5,676.53	3,483.30	52.20	875.38	4,410.88
Interest (net of income)	9.50		4.77	14.27	11.31	-	-	11.31
Profit before Tax	4,237.84	57.23	1,367.19	5,662.26	3,471.99	52.20	875.38	4,399.57
Provision for Tax								
- Current Tax	1,082.31	22.49	148.62	1,253.42	830.62	21.78	17.47	869.87
- Deferred Tax				(3.94)				3.79
Profit from Ordinary Activities	3,155.53	34.74	1,218.57	4,412.78	2,641.37	30.42	857.91	3,525.91
Extraordinary Items								-
Net Profit	3,155.53	34.74	1,218.57	4,412.78	2,641.37	30.42	857.91	3,525.91

Particulars	31 st March 2023			31 st March 2022				
	Tools	Power	Others	Total	Tools	Power	Others	Total
Other Information								
Segmental Assets	6,302.31	300.56	19,080.99	25,683.86	4,503.15	305.75	15,536.22	20,345.12
Unallocated Corporate Assets								
Total Assets	6,302.31	300.56	19,080.99	25,683.86	4,503.15	305.75	15,536.22	20,345.12
Segmental Liabilities	1,680.09	2.12	56.41	1,738.62	1,272.49	12.10	5.87	1,290.46
Unallocated Corporate Liabilities								
Total Liabilities	1,680.09	2.12	56.41	1,738.62	1,272.49	12.10	5.87	1,290.46
Capital Expenditure during the year (Including Movement in CWIP)	53.82		-	53.82	325.18	-	-	325.18
Depreciation & Amortisation Exps.	279.00	32.14	-	311.14	296.58	36.83	-	333.41

Notes :

- The above Financials results have been arrived at after going through the Balance Sheet and Profit & Loss Account for the Company for the year ending on 31st March, 2023
- This segment report of M/s Emkay Taps & Cutting Tools Ltd. is prepared in accordance to the Accounting Standard 17 - "Segment Reporting"
- For the purpose of this reporting, Business Segment are considered as primary segments. Since the Company is operating from single location. There are no Geographical segments for the company. However, based on Business Line, there are 2 segments, viz., Manufacturing of Tools and Generation of Power.
- The measurement principles for segment reporting are based on IND AS adopted in the consolidated financial statements. Segments' performance is evaluated based on segment revenue and profit or loss from operating activities, i.e., segment results.
- Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment. Finance income earned and finance expense incurred is not allocated to individual segment and the same has been reflected at the Group Level for segment reporting. Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period the change occurs. Segment information prior to the change in terms is not restated. These transactions have been eliminated on consolidation. The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial instruments, deferred tax assets and income tax recoverable.
- Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial instruments.
- Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

Note 38

EMPLOYEE COSTS

Particulars	As on 31 st March 2023	As on 31 st March 2022
Salary Allowances & Others	583	471
Defined contribution plan	17	15
Defined benefit plan/other long term benefits	7	5
Share based compensation	-	-
TOTAL	607	491

Note 39

INCOME TAXES

The major components of the Income Tax Expenses are Follows :

Particulars	As on 31 st March 2023	As on 31 st March 2022
<u>Current Income Tax</u>		
in India	1,266	862
Overseas	-	-
Deferred Tax		
Relating to origination and reversal of temporary differences	(4)	4
Relating to changes in tax rates	-	-
Tax expense attributable to current year's profit (A) :-	1,262	866
Adjustments in respect of income tax of previous year :		
Current income tax		
in India	(12)	8
Overseas	-	-
Total (B) :-	(12)	8
TOTAL (A+B) :-	1,249	874

The company during the Period has earned a profit of Rs. 5,662.26, A provision of Rs. 1,265.90 for Income Tax as required by Income Tax Act, 1961 has been made in the Books of Account.

Note 40

CURRENT ASSETS, LOANS AND ADVANCES

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

Note 41

RELATED PARTY TRANSACTIONS

Related Party transactions represent transactions entered into by the Group with entities having significant influence over the Group ('significant influence entities'), associates, joint ventures and other related parties. The transactions and balances with the related parties for the year ended March 31st, 2023 and Year ended March 31st, 2022, respectively are described below :

RELATED PARTY DISCLOSURE

A. Key Management Persons :

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

B. Related Parties

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

Summary of Transactions with Above Parties :

Particulars	As on 31 st March 2023	As on 31 st March 2022
a. Transactions for the period		
Nagpur Tools Pvt. Ltd.:-		
Job Work Expenses (Gross Including Taxes)	904.69	761.41
Adishree Engineering Pvt. Ltd.		
Job Work Expenses (Gross Including Taxes)	97.12	101.86
Closing Balance	As on 31st March 2023	As on 31st March 2022
Due from		
Vishnu Sontakke	0.63	1.80
Shruti Sohane	0.66	0.33
Due to:-		
Ajayprakash Kanoria	112.96	96.63
Alka Ajayprakash Kanoria	82.71	61.41
Nagpur Tools Pvt. Ltd.	113.03	64.15
Adishree Engineering Pvt. Ltd.	32.06	12.49

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

Remuneration to key management personnel were as follows :

Particulars	As on 31 st March 2023	As on 31 st March 2022
1) Ajayprakash Kanoria		
Salary	36.00	36.00
Remuneration	169.87	131.99
2) Alka Kanoria		
Salary	12.00	12.00
Remuneration	113.25	87.99
3) Vishnu Sontakke		
Salary	9.68	8.09
4) Shruti Sohane		
Salary	6.21	4.93
TOTAL	347.01	281.00

Note 42

CONTINGENCIES

Particulars	Year Ended March 31 st , 2023	Year Ended March 31 st , 2022
(i) Taxes, Duties and Other Demands (under adjudication/appeal/dispute)	-	-
(ii) Claims under legal cases including arbitration matters	-	-
TOTAL	-	-

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

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

Note 43
AGEING SCHEDULE FOR TRADE PAYABLES AND RECEIVABLES
i) Ageing Schedule of Trade Payables

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	16.96	-	-	2.80	19.76
(ii) Others	490.97	0.85	-	-	491.82
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

ii) Ageing Schedule of Trade Receivables

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	1,931.38	19.71	7.88	-	5.18	1,964.15
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-

Note 44
ADDITIONAL REGULATORY INFORMATION
i) Title Deeds of Immovable Property not held in the name of the Company

The company does not have any immovable property whose title deeds are not held in the name of the company during the period under reporting.

ii) Disclosures for Loans and Advances to Related persons

During the period under reporting, the Company has not granted Loans and Advances in the nature of loans to Promoters, Directors, KMP's and related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.

iii) Capital - Work - in Progress (CWIP)

The company does not have any Capital-Work-in Progress during the period under reporting.

iv) Intangible Assets under Development

During the period under reporting, the Company has no Intangible Assets which are under Development stage.

v) Borrowing from Banks and Financial Institution on security of Current Assets

The Company has a Cash Credit facility availed from ICICI Bank during the period under reporting.

a) The quarterly returns of statements of current assets filed by the Company with the Bank are in agreement with the books of accounts.

vi) Ratios

Particulars	As on March 31 st , 2023	As on March 31 st , 2022	% Change in Ratio
1. Current Ratio	1.761	1.922	-8.41%
2. Debt - Equity Ratio	0.133	0.119	11.76%
3. Debt Service Coverage Ratio	1.47%	1.45%	1.69%
4. Return on Equity Ratio	19.53%	19.48%	0.28%
5. Inventory Turnover Ratio	6.43	8.50	-24.33%
6. Net Capital Turnover Ratio	4.22	2.95	42.93%
7. Net profit Ratio	49.80%	49.80%	0.00%
8. Return on Capital Employed	25.02%	24.16%	3.53%

The Current Ratio has reduced by 8% majorly due to the high inventory available with the company as on the date of Balance Sheet as against the preceeding year. Further it is noticed that Debt Equity Ratio has increased by 11.76% which is primarily due to the increased provision of Income tax Liability due to high profits earned by the company during the period under reporting. Change Inventory Turnover Ratio as well as Net Capital Turnover ratios is due to the increased inventory held by the company as on the date of Balance Sheet.

vii) Undisclosed Income

The Company does not have any income which have been surrendered or disclosed as income during the year in the tax assessment under The Income Tax Act, 1961.

Note 45
EXPENDITURE IN RELATION TO CSR EXPENDITURE

As per Sec 135 of the Companies Act, 2013, the Company is required to undertake expenditure in respect of Corporate Social Responsibility (CSR). Disclosure in respect of CSR is as follows:


The Company is spending in various Healthcare, education of needy persons and environment protection as a part of its CSR activities.

Particular	Amount	Amount
A) Gross amount required to be spent by the Company during the year	Rs. 49.03 Lacs	Rs. 44.15 Lacs
B) Amount spent by the Company during the Year	Rs. 51.93 Lacs	Rs. 45.79 Lacs
C) Shortfall at the end of the year	Nil	Nil

Note 46
PREVIOUS YEAR FIGURES

The previous year figures have been regrouped, recasted and reclassified wherever necessary to make them comparable with those of current year figures.


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

 **Ajayprakash Kanoria**
Chairman,
Managing Director & CEO
DIN No : 00041279

As Per My Report of Even Date Attached
For **M/s P.S. Thakare & Company**
Chartered Accountant
FRN 128572W

 **Shruti Sohane**
Company Secretary

 **V.K Sontakke**
Chief Finance Officer

 **Pushkar Thakare**
Partner
Membership No. 162457

Place : Nagpur
Dated : 30/05/2023
UDIN : 23162457BGYVKE2187

Annexure For Non-current Investments

Investment In Mutual Funds :

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
1145.717 Unit ICICI Prudential Liquid Plan - Direct	341,773.12	341,773.12
304.892 Units ICICI Prudential Liquid Plan - Growth	70,449.99	70,449.99
451501.921 Units Motilal Oswal Most Focused Midcap 30 Fund - Regular	10,000,000.00	10,000,000.00
481869.654 Units Motilal Oswal Most Focused Midcap 30 Fund - Direct Plan Growth	10,000,000.00	10,000,000.00
391757.424 Units HSBC Small Cap Fund (Formerly known as L And T Emerging Business Fund)	10,000,000.00	10,000,000.00
0.090 Unit HDFC Mid Cap Opp. Fund Direct Growth	5.02	5.02
1841095.0833 Unit White Oak Equity Fund -II	23,753,440.55	23,753,440.55
329343.931 Unit Axis Small Cap Fund Direct Growth	20,000,000.00	20,000,000.00
456899.480 Unit Edelweiss Mid Cap Fund Direct Plan Growth	25,000,000.00	25,000,000.00
183463.162 Unit Kotak Mid Cap Direct Growth	26,500,000.00	26,500,000.00
1059600.732 Unit Mirae Asset Midcap Fund Direct Plan Growth	21,000,000.00	21,000,000.00
827728.255 Unit Mirae Asset Healthcare Fund Direct Plan Growth	20,000,000.00	20,000,000.00
102.836 Unit NIP IND ETE Liquid Bees	102,836.10	246.28
748632.276 Unit Canara Robeco Smallcap Fund Direct	20,100,000.00	-
130555.666 Unit Quant Small Cap Fund IB DG	20,000,000.00	-
1694968.408 Nippon India Nivesh Lakshya Fund - Growth Plan	25,000,000.00	-
801149.549 Unit Kotak Dynamic Bond Fund Regular Plan	25,000,000.00	-
12067.694 Franklin India Prima Fund -Direct	-	8,283,491.14
180500.406 Unit H. D. F. C. Mid Cap Opp. Fund Direct - Growth	-	6,232,137.52
TOTAL :	256,868,504.78	181,181,543.62

Investment In Shares :

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
Quoted		
0125000 Shares of Aditya Birla Capital Ltd.	16,326,098.25	21,574,424.72
0004000 Shares of Aarti Industries Ltd.	2,558,261.16	3,384,838.81
0073500 Shares of Bharti Airtel PP	27,683,717.82	27,683,717.82
0119340 Shares of Axis Bank Ltd.	95,295,903.72	29,817,627.82
0003000 Shares of Bajaj Finserv Ltd.	2,442,183.27	2,442,183.27
0270490 Shares of Bank Of Baroda	23,272,471.50	22,157,769.56
0007000 Shares of B. F. Utilities	3,651,400.00	3,651,400.00
0003000 Shares of Cipla Ltd.	2,698,911.02	2,698,911.02
0015000 Shares of Delta Corp Limited	2,912,990.00	2,912,990.00
0010000 Shares of Deccan Cement Ltd.	4,932,766.39	4,932,766.39
0142600 Shares of DLF Limited	46,917,984.51	46,917,984.51
0080500 Shares of Federal Bank Ltd	4,650,232.87	16,636,942.35
0014500 Shares of Fortis Healthcare Ltd.	4,156,395.10	4,156,395.10
0008500 Shares of Godrej Industries Ltd	4,952,915.97	4,952,915.97
0000009 Shares of Hindustan Engineering & Ind. Ltd.	1.00	1.00
0100900 Shares of Hindalco Industries	35,203,866.42	36,196,621.36

Continue ...

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
0060883 Shares of HDFC Bank Ltd.	74,866,300.23	64,781,104.08
0146475 Shares of ICICI Bank Ltd.	99,688,265.52	87,576,824.08
0016000 Shares of I G Petrochemicals Ltd.	11,641,710.47	16,050,661.41
0001000 Shares of Indigo Paints Ltd.	2,372,894.30	2,372,894.30
0273250 Shares of Indiabulls Real Est. Ltd.	39,637,961.77	39,637,961.77
0007250 Shares of ISGEC Heavy Eng Ltd.	4,434,285.78	4,964,245.33
0145900 Shares of ITC Ltd.	25,552,483.00	31,703,544.64
0230000 Shares of Jindal Saw Ltd.	20,367,653.33	21,859,290.24
0066500 Shares of Jindal Steel & Power Ltd.	27,887,992.47	1,723,324.02
0005000 Shares of JK Lakshmi Cement Ltd.	2,885,790.64	2,885,790.64
0004000 Shares of Kajaria Ceramics Ltd.	3,640,090.66	3,640,090.66
0015200 Shares of Larsen & Toubro Ltd	26,249,540.85	21,242,919.19
0006000 Shares of Laurus Labs Ltd.	2,914,699.35	2,914,699.35
0023000 Shares of Max Healthcare Institute Ltd.	9,937,953.30	2,355,833.35
0001250 Shares of Navin Fluorine International Ltd.	4,022,002.19	4,022,002.19
0005333 Shares of N. E. P. C. Agro Food Ltd.	92,015.00	92,015.00
0017600 Shares of Oberoi Realty Ltd.	13,563,593.52	13,563,593.52
0170000 Shares of Orient Cement Ltd.	22,369,957.88	24,809,236.04
0170000 Shares of Prakash Industries Ltd.	10,668,671.76	16,910,215.65
0002550 Shares of Punjab Chem & Crop Prop Ltd.	3,854,300.87	3,854,300.87
0007802 Shares of Reliance Rs.2.50 PPD	17,979,242.42	17,979,242.42
0012782 Shares of RSWM Limited	2,095,946.98	10,139,795.09
0160000 Shares of Sintex Plastic Technology Ltd.	4,437,251.06	6,707,121.70
0185500 Shares of State Bank Of India	66,306,291.40	77,067,902.62
0010000 Shares of Sun Pharmaceuticals Indus. Ltd.	6,155,391.48	10,284,626.30
0002279 Shares of Tata Consultancy Services	4,934,222.45	4,934,222.45
0100000 Shares of Tata Steel Limited	10,305,326.87	2,799,852.19
0002010 Shares of Titan Company Ltd.	2,149,399.89	2,149,399.89
6100000 Shares of Unitech Ltd.	19,027,057.65	14,961,862.75
0089300 Shares of UPL Limited	51,562,217.57	45,423,690.78
0000750 Shares of Voltamp Transformers	1,079,933.26	1,079,933.26
0050000 Shares of Wipro Ltd.	21,522,542.55	10,531,043.00
0001000 Shares of Aarti Pharmalabs Limited	826,577.65	-
0006000 Shares of APL Apollo Tubes Ltd.	7,154,513.97	-
0005250 Shares of Arvind Fashions Limited	1,742,156.34	-
0027000 Shares of Birla Corporation Ltd.	26,518,437.50	-
0190000 Shares of Canara Bank	43,663,286.70	-
0007500 Shares of Cholamandalam Investment And Finance Ltd.	5,539,554.80	-
0007600 Shares of Cyient Limited	7,014,949.50	-
0030000 Shares of Exide Industries Ltd.	5,524,027.35	-
0001500 Shares of LTI mindtree Limited	6,973,451.16	-
0250000 Shares of NIP Ind ETF PSU Bank	11,551,505.61	-

Continue ...

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
0900000 Shares of NIP Ind ETF IT	27,903,736.70	-
0042600 Shares of NTPC Ltd.	7,027,178.00	-
0005800 Shares of Polycab India Ltd.	16,002,692.21	-
0008500 Shares of United Spirits Limited	7,585,360.80	-
0250000 Shares of Union Bank Of India	18,545,085.20	-
0600000 Shares of Yes Bank Ltd.	10,422,000.00	-
0026500 Shares of Anant Raj Global Ltd. TARC Ltd.	-	-
0003000 Shares of Apollo Tricoat Tubes Ltd.	-	4,083,945.59
0025000 Shares of Aurobindo Pharma Ltd.	-	13,484,100.10
0006500 Shares of Balkrishna Industries Ltd.	-	4,984,419.09
0100000 Shares of Housing Development & Infrastructure Ltd.	-	6,751,944.36
0025000 Shares of JM Financial Limited	-	2,326,861.31
0368875 Shares of The Karnataka Bank Ltd.	-	34,421,976.58
0002700 Shares of MMP Industries Ltd.	-	203,829.30
0160000 Shares of Rashtriya Chemicals	-	6,918,387.96
0010000 Shares of Wockhardt Ltd.	-	7,202,184.15
0000200 Shares of Abbott India Ltd.	-	3,207,902.07
0001500 Shares of ADF Foods Ltd.	-	1,483,098.98
0037000 Shares of Apollo Tyres Ltd.	-	8,545,459.25
0092500 Shares of Ashok Leyland Ltd.	-	11,873,260.57
0002000 Shares of Biocon Limited	-	644,711.75
0006100 Shares of Canfin Homes Ltd.	-	3,355,883.98
0003000 Shares of Deepak Nitrite Ltd.	-	6,030,584.27
0023625 Shares of JK Paper Limited.	-	3,367,562.09
0037500 Shares of Jindal Stainless Ltd.	-	7,515,873.95
0000635 Shares of Oracle Fin Serv Software Ltd.	-	2,298,187.59
0001200 Shares of Syngene International Ltd.	-	684,043.96
0003000 Shares of Valiant Organic Ltd.	-	4,953,329.58
0000500 Shares of Voltas Ltd.	-	503,499.29
Unquoted		
0041000 Shares of Aryan Fine Fab Ltd..	62,735.00	62,735.00
0000700 Shares of Hindustan Developers Corp. Ltd.	12,565.00	12,565.00
0124700 Shares of Nagpur Tools Pvt. Ltd.	748,200.00	748,200.00
0002000 Shares of Pretech Computer Ltd.	41,000.00	41,000.00
0002500 Shares of Rajendra Steel Ltd.	33,545.00	33,545.00
0003000 Shares of Rajendra Pipes Ltd.	33,670.00	33,670.00
0001800 Shares of Rama Phosphates Ltd.	12,240.00	12,240.00
0005000 Shares of Reylon Pen Co. Ltd.	35,250.00	35,250.00
0005350 Shares of NSE Shares Security Deposit Exp. of Int.	15,515,000.00	-
TOTAL :	1,112,347,803.96	936,956,979.25

Investment In Portfolio Management Service (PMS) :

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
a) White Oak India Pioneers Equity Portfolio (PMS)		
0000086 Shares of Abbott India Ltd.	1,383,720.88	1,094,668.14
0000847 Shares of Ajanta Pharma Ltd.	864,496.96	864,496.95
0000430 Shares of Asian Paints Limited	1,351,365.05	3,180,620.83
0000788 Shares of Astral Poly Technik Ltd.	840,415.72	1,650,313.45
0001560 Shares of Axis Bank Ltd.	1,189,173.05	2,771,301.15
0000127 Shares of Bajaj Finance Limited	800,396.13	795,242.59
0001060 Shares of Bajaj Finserv Ltd.	997,378.55	1,161,631.49
0000496 Shares of BEML Ltd.	801,752.86	498,413.20
0000244 Shares of Cartrade Tech Limited	390,417.71	390,417.71
0004459 Shares of Cholamandalam Investment & Finance Co. Ltd.	1,775,643.40	1,953,015.33
0001382 Shares of Cipla Ltd.	1,037,736.11	1,612,830.61
0000541 Shares of Coforge Limited	1,804,319.32	815,124.65
0000285 Shares of Computer Age Management Ser. Ltd.	556,181.87	780,896.94
0001458 Shares of Dodla Dairy Limited	886,110.04	886,110.04
0000268 Shares of Dr Lal Pathlabs Ltd.	593,121.67	593,121.67
0000445 Shares of Eicher Motors Ltd.	1,223,404.79	500,565.32
0001746 Shares of FSN E-Commerce Ven Ltd. (Nykaa)	637,341.20	637,341.20
0000052 Shares of Fine Organic Industries Ltd.	157,170.04	722,853.32
0000485 Shares of Garware Technical Fibres Ltd.	1,027,783.33	1,060,144.50
0004225 Shares of HDFC Bank Ltd.	5,873,716.62	5,054,992.52
0000996 Shares of HDFC Life Insurance Co. Ltd.	557,716.18	548,172.62
0002489 Shares of Hindalco Industries Ltd.	1,439,662.87	1,439,662.87
0008136 Shares of ICICI Bank Ltd.	4,109,228.57	4,557,948.08
0000363 Shares of ICICI Lombard Gen Ins Co Ltd.	524,239.73	691,765.38
0000822 Shares of Indigo Paints Limited.	2,214,330.73	2,214,330.73
0000180 Shares of Info Edge India Ltd.	774,745.85	774,745.85
0002841 Shares of Infosys Limited	3,148,303.01	4,399,776.97
0001129 Shares of Kotak Mahindra Bank Ltd.	1,983,823.00	644,316.33
0000069 Shares of L & T Technology Service Ltd.	117,986.40	297,530.93
0000273 Shares of Maruti Suzuki India Ltd.	2,172,167.98	2,143,753.06
0000650 Shares of MCX India Limited	1,058,355.57	1,058,355.57
0000316 Shares of Metropolis Healthcare Ltd.	775,901.52	775,901.52
0000374 Shares of Navin Fluorine Int. Ltd.	916,299.41	916,299.41
0000237 Shares of Nestle India Ltd.	4,035,376.21	4,401,609.38
0000407 Shares of Persistent Systems Ltd.	809,503.73	997,339.02
0000616 Shares of Phoenix Mills Ltd.	410,262.05	373,212.87
0000588 Shares of Poly Medicure Ltd.	388,042.09	276,375.53
0004083 Shares of Sequent Scientific Ltd.	848,344.24	848,344.24
0006340 Shares of Tata Steel Ltd.	819,911.11	819,911.10
0001046 Shares of Titan Company Ltd.	1,749,412.02	2,233,068.39
0000016 Shares of Page Industries Ltd.	666,098.49	452,795.18

Investment In Portfolio Management Service (PMS) :

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
0002890 Shares of Saregama India Ltd	1,188,352.14	1,188,352.14
0000800 Shares of Vedant Fashions Ltd.	751,786.60	610,839.54
0001175 Shares of Ambuja Cements Ltd.	479,955.84	-
0000174 Shares of ABB India Ltd.	581,134.76	-
0000292 Shares of BEML Land Assets Limited	2,292.70	-
0000268 Shares of Balkrishna Industries Ltd.	584,442.20	-
0001142 Shares of Campus Activewear Ltd.	432,439.72	-
0002774 Shares of CG Power & Industrial Solutions	678,738.52	-
0001269 Shares of Container Corp. Of India Ltd.	953,763.44	-
0000154 Shares of Craftsman Automation Ltd.	493,292.80	-
0000407 Shares of Data Patterns India Ltd.	506,462.90	-
0000794 Shares of Five Star Business Finance Ltd.	455,961.00	-
0000492 Shares of Grindwell Norton Ltd.	1,006,048.65	-
0000016 Shares of Honeywell Automation India Ltd.	603,260.84	-
0000193 Shares of Hindustan Aeronautics Ltd.	482,711.82	-
0000050 Shares of Indiamart Intermesh Ltd.	249,566.02	-
0000391 Shares of IPCA Laboratories Ltd.	322,581.27	-
0000831 Shares of IIFL Finance Ltd.	290,209.77	-
0001333 Shares of Larsen And Toubro Ltd.	2,911,257.95	-
0000082 Shares of LTI mindtree Limited	402,864.37	-
0001336 Shares of Rainbow Children Medicare Ltd.	787,156.59	-
0000670 Shares of RHI Magnesita India Ltd.	488,989.22	-
0001440 Shares of Syngene International Limited	807,206.40	-
0000059 Shares of SBI Life Insurance Co. Ltd.	63,213.78	-
0000249 Shares of Tube Investments Of India Ltd.	661,848.58	-
0000036 Shares of 3M India Ltd.	-	881,508.78
0002127 Shares of Crompton Greaves Consumer Elec. Ltd.	-	893,480.75
0000275 Shares of Dixon Technologies India Ltd.	-	582,485.92
0001539 Shares of Intellect Design Arena Ltd.	-	551,950.15
0000656 Shares of Mphasis Limited	-	1,025,423.58
0002342 Shares of Orient Electric Ltd.	-	505,686.57
0001129 Shares of Suven Pharmaceuticals Ltd.	-	532,878.84
0001213 Shares of KNR Construction Ltd.	-	340,716.63
0000295 Shares of Newgen Software Technologies Ltd.	-	155,668.30
Sub - Total :	69,896,893.94	65,158,307.84
b) Anand Rathi Advisors Ltd. (PMS)		
0002499 Shares of Aarti Industries Ltd.	1,367,065.45	1,808,766.16
0000358 Shares of Blue Dart Express Ltd.	1,568,591.97	1,568,591.97
0029942 Shares of Bharat Electronics Ltd.	1,551,269.95	2,311,277.60
0000523 Shares of Coforge Limited	1,682,750.12	1,452,133.61
0002255 Shares of Corborundum Universal Ltd.	1,414,876.99	1,773,827.51
0002589 Shares of ICICI Bank Ltd.	1,832,296.67	1,832,296.67

Investment In Portfolio Management Service (PMS) :

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
0003771 Shares of K.P.R. Mill Ltd.	708,333.52	769,718.19
0002268 Shares of Radico Khaitan Ltd.	1,166,326.91	1,166,326.91
0001769 Shares of Ratanamani Metals & Tubes Ltd.	1,909,230.59	1,922,215.42
0003143 Shares of Somany Ceramics Ltd.	1,350,987.28	901,670.62
0000712 Shares of Solar Industries India Ltd.	1,200,955.20	2,044,760.51
0002462 Shares of Anupam Rasayan India Ltd.	1,839,795.97	-
0000441 Shares of Bajaj Finance Limited	2,509,071.78	-
0000539 Shares of Eicher Motors Ltd.	1,652,284.92	-
0003538 Shares JK Lakshmi Cement Ltd.	1,390,065.35	-
0001507 Shares of KEI Industries Ltd.	1,850,577.03	-
0001650 Shares of Mahindra And Mahindra Ltd.	2,124,997.05	-
0006259 Shares of Mishra Dhatu Nigam Ltd.	1,411,811.78	-
0004620 Shares of Sharda Cropchem Ltd.	2,839,023.98	-
0001628 Shares of Varun Beverages Limited	1,822,418.04	-
0004154 Shares of Crompton Greaves Consumer Elec. Ltd.	-	1,681,789.53
0000464 Shares of Mind Tree Ltd..	-	794,117.22
0003328 Shares of Tata Consumer Products Ltd.	-	1,991,553.87
0005145 Shares of Allcargo Global Logistics Ltd.	-	1,624,618.13
0001970 Shares of Krishna Institute Medical Science Ltd.	-	2,464,907.36
0002673 Shares of Oberoi Reality Ltd.	-	2,467,014.36
0001225 Shares of Tata Communication Ltd.	-	1,922,995.57
Sub - Total :	33,192,730.55	30,498,581.21
c) Sageone Core Portfolio (PMS)		
0001788 Shares of Aarti Industries Ltd.	1,017,325.37	1,213,732.07
0003005 Shares of APL Apollo Tubes Ltd.	2,281,299.00	2,828,770.93
0000474 Shares of Balkrishna Industries Ltd.	1,057,597.33	1,642,512.02
0003466 Shares of Canfin Homes Ltd.	1,852,039.12	1,478,063.21
0004315 Shares of Century Textiles & Ind.Ltd.	2,306,302.86	2,117,104.52
0004246 Shares of Eid Parry India Ltd.	1,977,719.50	1,472,201.46
0007107 Shares of Indian Energy Exchange Ltd.	1,565,486.73	1,465,631.91
0005152 Shares of Laurus Lab Ltd.	2,834,647.71	3,516,963.54
0000841 Shares of Polycab India Ltd.	1,137,166.66	1,194,094.53
0012821 Shares of Sterlite Technologies Ltd.	2,603,449.02	1,218,093.68
0000896 Shares of Gujarat Fluorochemicals Ltd.	2,948,691.51	-
0008341 Shares of Jindal Stainless Ltd.	1,921,653.47	-
0003110 Shares of K P R Mills Ltd.	1,737,361.78	-
0001071 Shares of KEI Industries Ltd.	1,297,824.74	-
0000432 Shares of Timken India Ltd.	1,331,191.94	-
0000973 Shares of Trent Ltd.	1,309,027.42	-
0001541 Shares of Deepak Nitriate Ltd.	-	2,624,851.19
0001818 Shares of Kajaria Ceramics Ltd.	-	1,761,852.11
0005069 Shares of Suven Pharmaceutical Ltd.	-	2,599,372.75

Investment In Portfolio Management Service (PMS) :

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
0000505 Shares of Gland Pharma Ltd.	-	1,591,608.76
0000401 Shares of LTTTS	-	1,834,086.82
Sub - Total :	29,178,784.16	28,558,939.50
d) Sageone Smallcap Portfolio (PMS)		
0004807 Shares of Apollo Pipes Ltd	0.01	2,299,786.05
0000665 Shares of Balaji Amines Ltd.	2,100,535.44	1,254,070.86
0008052 Shares of Gujarat Ambuja Exports Ltd.	1,568,610.35	1,801,329.26
0021577 Shares of Indiabulls Real Estate Ltd.	2,208,273.72	1,493,825.79
0001677 Shares of KEI Industries Ltd.	1,254,596.08	1,369,283.30
0004467 Shares of Kirloskar Pneumatic Co. Ltd.	1,705,107.99	2,245,540.00
0000913 Shares of Mastek Ltd.	2,677,372.97	2,677,372.97
0003459 Shares of Pokarna Ltd.	1,313,900.33	1,367,744.03
0004568 Shares of Saregama India Ltd.	1,871,847.70	1,492,531.64
0002954 Shares of Shankara Building Products Ltd.	2,026,980.91	1,835,398.77
0001417 Shares of TCI Express Ltd.	1,806,441.72	1,806,441.72
0003219 Shares of APL Apollo Tubes Ltd.	969,268.69	-
0003774 Shares of CCL Products India Ltd.	1,949,997.65	-
0002296 Shares of Divgi Torqtransfer Systems Ltd.	1,373,841.12	-
0001571 Shares of FIEM Industries Ltd.	1,603,701.45	-
0007541 Shares of ISMT Ltd.	471,440.53	-
0000858 Shares of Kirloskar Ferrous Ind. Ltd.	316,627.80	-
0005038 Shares of Kirloskar Oil Engines Ltd.	1,573,286.94	-
0001732 Shares of Rajratan Global Wire Ltd.	1,445,887.81	-
0000559 Shares of Timken India Ltd.	1,377,292.63	-
0004977 Shares of Apollo Tricoat Tubes Ltd	-	2,973,852.86
0000894 Shares of Deepak Nitriate Ltd.	-	1,804,687.42
0000397 Shares of Navin Fluorine Int. Ltd.	-	1,133,174.53
0001614 Shares of Valiant Organics Ltd.	-	2,237,817.02
0001037 Shares of Privi Speciality Chemical Ltd.	-	1,970,307.19
0002440 Shares of Somany Ceramics Ltd.	-	1,590,209.46
Sub - Total :	29,615,011.84	31,353,372.87
e) Abakkus Emerging opportunities App (PMS)		
0004740 Shares of Anup Engineering Ltd.	3,218,057.03	2,823,038.28
0019922 Shares of Allcargo Logistics Ltd.	5,215,472.38	5,630,738.26
0011052 Shares of Canfin Homes Ltd.	6,067,021.78	6,067,021.78
0015318 Shares of Canara Bank Ltd.	2,685,212.47	2,685,212.47
0015355 Shares of DCM Shriram Industries Ltd.	1,110,289.35	1,110,289.35
0071795 Shares of Federal Bank Ltd.	5,885,812.57	6,555,987.33
0015317 Shares of Greenpanel Industries Ltd.	3,973,514.18	3,973,514.18
0000867 Shares of HIL Ltd.	2,740,705.06	3,194,724.62
0007581 Shares of H G Infra Engineering Ltd.	4,182,767.08	3,393,171.60
0002833 Shares of ION Exchange India Ltd.	4,517,462.70	4,736,248.06

Investment In Portfolio Management Service (PMS) :

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
0017015 Shares of IIFL Finance Ltd.	4,743,986.28	3,737,203.44
0008086 Shares of Jubilant Ingrevia Ltd.	2,992,018.75	2,179,883.76
0026759 Shares of Kopran Ltd.	4,180,126.20	4,180,126.20
0002090 Shares of Mastek Ltd.	3,505,758.81	3,957,036.52
0006097 Shares of Max Financial Services Ltd	6,102,485.09	6,479,073.85
0006338 Shares of Radico Khaitan Ltd.	4,092,231.25	4,700,154.62
0014857 Shares of Rupa And Company Ltd.	6,665,666.54	5,810,044.78
0005068 Shares of Sarda Energy & Mineral Ltd	3,909,530.16	4,019,581.56
0007489 Shares of Siyaram Silk Mills Ltd	3,383,051.69	2,708,536.90
0009252 Shares of UPL Limited	6,407,283.83	6,407,283.83
0045546 Shares of Dwariakesh Sugar Industries Ltd.	4,665,248.55	-
0015367 Shares of Granules India Ltd.	5,178,487.12	-
0033181 Shares of Jindal Stainless Ltd.	2,242,524.60	-
0004793 Shares of Stylam Industries Ltd.	5,410,053.21	-
0027046 Shares of Titagarh Wagons Ltd.	3,650,385.80	-
0021844 Shares of Ujjivan Financial Services Ltd.	5,566,264.13	-
0004262 Shares of Uniparts India Limited	2,401,424.61	-
0130349 Shares of I D F C Ltd.	-	6,634,211.59
0018491 Shares of Jindal Stainless Hisar Ltd.	-	2,412,920.33
0010483 Shares of Jubilant Pharmova Ltd.	-	7,255,107.39
0002242 Shares of Nilkamal Ltd.	-	4,921,964.38
0001240 Shares of Oracle Financial Services Software Ltd.	-	4,526,800.70
0001562 Shares of Saregama India Ltd.	-	2,414,653.25
0003301 Shares of HCL Technologies Ltd.	-	3,683,497.08
0003186 Shares of Qness Corporation Ltd.	-	2,080,303.16
0003670 Shares of Surya Roshni Ltd.	-	2,824,678.53
Sub - Total :	114,692,841.22	121,103,007.80
f) IIFL Phoenix Portfolio (PMS)		
0000793 Shares of Axis Bank Limited	609,962.05	609,441.91
0000194 Shares of Alembic Pharmaceuticals Ltd.	134,787.04	40,010.64
0000541 Shares of Aegis Logistics Ltd.	119,635.89	151,230.03
0000281 Shares of Arvind Fashions Limited.	82,654.20	112,682.27
0000330 Shares of Bharti Airtel Limited	173,479.24	206,044.70
0000170 Shares of Century Textiles India Ltd.	134,935.65	177,198.58
0000281 Shares of Cyient Limited	242,805.15	254,386.28
0000123 Shares of Fairchem Oraganics Ltd.	246,815.01	238,545.43
0000344 Shares of Gati Corporation Ltd.	56,601.31	49,050.50
0000383 Shares of Greenpanel Industries Ltd.	126,004.98	128,359.34
0000505 Shares of Hindustan Petroleum Corp. Ltd.	126,131.55	173,576.71
0000604 Shares of ICICI Bank Ltd.	395,374.20	645,432.06
0000839 Shares of ITC Limited	198,904.91	222,957.72
0000098 Shares of Larsen Toubro Ltd.	148,221.63	149,734.09

Investment In Portfolio Management Service (PMS) :

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
0000123 Shares of Max Financial Services Limited	94,242.85	131,793.98
0000119 Shares of Motilal Oswal Financial Services	105,702.95	126,199.70
0000091 Shares of Multi Commodity Exc. Of India Ltd	140,935.86	107,846.73
0000672 Shares of Maharashtra Seamless Ltd.	99,288.21	237,517.94
0003056 Shares of Motherson Sumi Wiring India Ltd.	106,651.63	100,746.73
0001261 Shares of NTPC Limited	174,726.77	205,308.18
0000832 Shares of Oil & Natural Gas Corp. Ltd.	128,393.51	147,872.02
0000048 Shares of Persistent System Limited	140,041.56	142,959.09
0000047 Shares of SKF India Limited	128,056.46	128,921.04
0000251 Shares of Somany Ceramics Limited	179,471.07	180,119.64
0000675 Shares of State Bank Of India	293,941.32	390,167.78
0000270 Shares of Sun Pharmaceutical Industries	206,660.59	385,686.77
0000168 Shares of Symphony Limited	176,483.37	134,492.76
0000032 Shares of Tata Communications Ltd.	38,862.29	111,951.23
0000658 Shares of Tata Motors Ltd.	252,935.95	114,525.89
0000315 Shares of United Spirits Ltd.	212,851.32	200,156.18
0000475 Shares of Wipro Ltd.	236,671.23	233,555.77
0001125 Shares of Coal Indial Limited	211,686.70	-
0000377 Shares of Chennai Petroleum Corp Ltd.	89,247.05	-
0000312 Shares of Eureka Forbes Limited	97,753.64	-
0003920 Shares of Equitas Small Finance Bank Ltd.	177,307.85	-
0000084 Shares of GMM Pfaudler Ltd.	142,921.38	-
0000152 Shares of HDFC Standard Life Ins. Co. Ltd.	90,935.65	-
0000165 Shares of HDFC Bank Ltd.	275,552.70	-
0000944 Shares of Indian Energy Exchange Ltd.	136,791.03	-
0000641 Shares of Kirloskar Oil Engines Ltd.	162,155.13	-
0002222 Shares of NLC India Limited	162,757.27	-
0001037 Shares of National Mineral Dev Corp Ltd.	58,090.52	-
0000162 Shares of Natco Pharma Ltd.	89,491.37	-
0000024 Shares of Oracle Finance Services Software	79,094.83	-
0001204 Shares of RBL Bank Limited	194,242.19	-
0001438 Shares of Sequent Scientific Ltd.	165,141.25	-
0000193 Shares of UTI Asset Management Company	138,857.37	-
0000389 Shares of Zensar Technologies Ltd.	92,147.68	-
0000468 Shares of Zee Entertainment Enterprises	96,635.64	-
0000031 Shares of Blue Dart Express Ltd.	-	181,952.49
0000668 Shares of Bank Of Baroda	-	65,701.57
0000195 Shares of Chemplast Sanmar Limited	-	144,036.37
0002057 Shares of Equitas Holdings Limited	-	204,918.69
0000143 Shares of Godrej Consumer Products Ltd.	-	119,317.52
0001242 Shares of Mangalore Ref. Petrochemical	-	55,110.73
0000201 Shares of Nocil Limited	-	49,691.19

Investment In Portfolio Management Service (PMS) :

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
0000175 Shares of Qness Corp Limited	-	142,347.76
0000030 Shares of Ultra Tech Cement Ltd.	-	209,067.81
Sub - Total :	7,973,039.00	7,410,615.82
g) UNIFI Capital pvt. Ltd .- Blended Rangoli (PMS)		
0000241 Shares of Atul Ltd.	2,020,361.25	2,020,361.25
0004474 Shares of Axis Bank Ltd.	2,978,187.71	3,946,192.37
0010559 Shares of Crompton Greaves Consumer Electricals Ltd.	4,264,065.95	2,025,352.06
0003464 Shares of Chemplast Sanmar Ltd	2,027,623.41	2,087,431.60
0001461 Shares of Coromandel International Ltd.	1,139,074.57	2,123,160.96
0005306 Shares of ICICI Securities Ltd	3,318,174.29	2,259,163.90
0001959 Shares of Natco Pharma Ltd	1,526,018.54	1,979,435.64
0004026 Shares of Narayana Hrudayalaya Ltd	2,751,993.02	1,043,307.35
0000719 Shares of Polycab India Ltd	1,749,127.17	1,992,246.36
0004788 Shares of Sonata Software Ltd	2,830,256.00	2,824,431.18
0007228 Shares of State Bank Of India	3,411,828.37	4,051,379.81
0000962 Shares Transpek Industry Ltd	2,055,726.22	2,055,726.22
0003127 Shares of Wipro Ltd.	1,877,442.46	1,877,442.46
0000293 Shares of DCM Shriram Ltd.	297,935.06	-
0001090 Shares of Godrej Consumer Products Ltd.	913,689.57	-
0000402 Shares of Hindustan Aeronautics Ltd.	1,017,371.35	-
0002283 Shares of ICICI Bank Ltd.	1,632,258.53	-
0013549 Shares of RBL Bank Ltd.	2,130,342.01	-
0005757 Shares of Redington India Ltd.	1,024,824.73	-
0015815 Shares of DCB Bank Ltd.	-	1,276,230.12
0007173 Shares of FDC Limited	-	2,062,402.68
0000862 Shares of Tata Communications Ltd	-	1,102,323.14
0002265 Shares of United Spirits Ltd.	-	2,016,472.25
0001636 Shares of Varun Beverages Ltd	-	1,513,621.14
Sub - Total :	38,966,300.21	38,256,680.49
h) Motilal Oswal Asset Management Co. Ltd - NTDOP (PMS)		
0001490 Shares of Aegis Logistics Ltd.	347,942.36	-
0000079 Shares of Alkem Laboratories Ltd.	272,392.82	-
0000055 Shares of Bayer Cropscience Ltd.	271,083.05	-
0000592 Shares of Bharat Forge Ltd.	433,669.64	-
0000250 Shares of Birla Corporation Ltd.	293,571.10	-
0000031 Shares of Bosch Ltd.	451,942.88	-
0000256 Shares of Clean Science & Tech Ltd.	496,418.24	-
0000757 Shares of Container Corp Of India Ltd.	514,131.70	-
0000078 Shares of Cummins India Ltd.	85,052.93	-
0000310 Shares of Eicher Motors Ltd.	781,291.97	-
0001006 Shares of Emami Limited	475,176.68	-
0000433 Shares of Gland Pharma Ltd.	1,124,844.01	-

Investment In Portfolio Management Service (PMS) :

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
0000159 Shares of Housing Dev. Finance Corpo. Ltd.	423,437.47	-
0001880 Shares of ICICI Bank Ltd.	1,448,575.08	-
0000723 Shares of IPCA Laboratories Ltd.	755,929.98	-
0002546 Shares of ITC Limited	680,932.10	-
0000838 Shares of Kotak Mahindra Bank Ltd.	1,509,087.42	-
0000340 Shares of L & T Technology Services Ltd.	1,540,152.43	-
0000086 Shares of LTI mindtree Ltd (L & T Infotech)	510,589.30	-
0000257 Shares of Larsen & Toubro Ltd.	488,991.56	-
0001220 Shares of Max Financial Services Ltd.	962,552.99	-
0000031 Shares of Maruti Suzuki India Ltd.	276,201.24	-
0000028 Shares of Page Industries Ltd.	1,248,489.63	-
0000829 Shares of Religare Enterprises Ltd.	151,121.74	-
0001921 Shares of State Bank Of India	1,055,977.38	-
0000096 Shares of Tata Consultancy Services Ltd.	352,771.46	-
0000685 Shares of Tech Mahindra Limited	969,935.38	-
0000305 Shares of Vedant Fashion Ltd.	327,692.64	-
0000462 Shares of Voltas Ltd.	600,140.38	-
0006318 Shares of Zomato Ltd.	389,702.45	-
Sub - Total :	19,239,798.01	-
i) Kotak Portfolio Management Services - K Kore (PMS)		
0003962 Shares of Axis Bank Ltd.	3,411,942.62	-
0004237 Shares of Ambuja Cements Ltd.	1,465,588.89	-
0005468 Shares of Bharti Airtel Ltd. Rs 1.25 Partly	2,370,885.98	-
0005333 Shares of Balrampur Chini Mills Ltd.	1,996,493.34	-
0001530 Shares of Cummins India Ltd.	2,049,377.93	-
0000573 Shares of Divis Laboratories Ltd.	1,917,437.46	-
0008419 Shares of Fortis Healthcare Ltd.	2,420,614.04	-
0004268 Shares of Jindal Steel And Power Ltd.	2,099,739.91	-
9589.552 Units of Kotak Overnight Fund Mutual Fund	11,205,782.79	-
0002419 Shares of Metro Brands Ltd.	2,040,708.80	-
0001353 Shares of PVR Ltd.	2,381,131.62	-
0001424 Shares of Sapphire Foods India Ltd.	2,074,436.35	-
0003349 Shares of SBI Cards & Payment Services Ltd.	2,718,657.92	-
0012251 Shares of Tata Motors Ltd.	2,576,104.97	-
0024500 Shares of Union Bank Of India	1,397,896.50	-
0000358 Shares of Ultratech Cement Ltd.	2,534,472.49	-
0192482 Shares of Yes Bank Ltd.	3,202,764.40	-
0011409 Shares of Zee Entertainment Enterprises Ltd.	2,918,526.55	-
Sub - Total :	50,782,562.56	-
GRAND - TOTAL :	393,537,961.49	322,339,505.53

Fixed Deposit Receipts :

PARTICULARS	As on 31 st March 2023	As on 31 st March 2022
F.D.R. with Bank of Maharashtra	155,285.63	147,627.63
F.D.R. with Bank of Maharashtra (A/c No. 20108225049)	19,222.86	18,168.86
F.D.R. with Bank of Maharashtra (A/c No. 20108246988)	12,493.64	11,791.64
F.D.R. With ICICI Bank	45,699.00	43,545.00
F.D.R. With ICICI Bank (A/c No. 005913044262)	218,599.00	207,153.00
F.D.R. With ICICI Bank (A/c No. 005913044297)	108,663.00	103,535.00
F.D.R. With ICICI Bank (A/c No. 0019578228)	40,523,972.00	-
F.D.R. With ICICI Bank (A/c No. 0019578253)	70,841,439.00	-
TOTAL :	111,925,374.13	531,821.13

* * * *

**28th Annual General Meeting
Attendance Slip**

EMKAY TAPS AND CUTTING TOOLS LIMITED

CIN: L29220MH1995PLC091091

Address of the registered office and contact details: Plot No B-27 and B-27/1, MIDC HINGNA, INDUSTRIAL ESTATE, NAGPUR-440016 MH IN

Tel Ph.: 07104-237584 Email: investors@etctl.com

DP ID _____

Client ID _____

Registered Folio No.: _____

No. of Shares: _____

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

I certify that I am a shareholder / proxy of the shareholder of the Company. I/We hereby record my/our presence at the **28th Annual General Meeting** of the Company being held on **Monday, September 18, 2023 at 11.30 a.m.** at B-27 7 B-27/1 M.I.D.C. Hingna, Industrial Estate at Nagpur-440016.

Signature of Shareholder/Proxy

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



EMKAY TOOLS

28th Annual General Meeting

FORM NO. MGT-11

PROXY FORM

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

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

Name of the Member(s): _____

Registered Address : _____

Email id : _____

Folio No/Client Id : _____

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

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

or failing him/her

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

or failing him/her

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company being held on Monday, September 18, 2023 at 11.30 a.m. at The Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

1. To consider and adopt the Audited financial statements of the Company for the year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors' thereon.

2. To consider re-appointment of Mr. Ajayprakash Kanoria (DIN: 00041279), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment. For details of Director seeking re-appointment at the Annual General Meeting please refer Annexure - IB to the Notice.

3. To appoint Statutory Auditors of the Company and to fix their remuneration; For Brief Profile of the Auditor recommended by the Board refer Annexure-IC.

Consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, Section 142 and other applicable provisions of the Companies Act, 2013, and rules made there under, as amended from time to time, M/s P.S. Thakare & Co., Peer Reviewed Chartered Accountants from Nagpur be and is hereby appointed as the Statutory Auditor for 2nd term of five financial years starting from F.Y. 2023-24 to F.Y. 2027-28 i.e. from the conclusion of 28th AGM till the conclusion of 33rd AGM of the Company and Directors of the Company be and is hereby authorized to fix their remuneration from time to time in consultation with the Audit Committee of the Board;

RESOLVED FURTHER THAT Mr. Ajayprakash Kanoria, Chairman, Managing Director & CEO of the Company be and is hereby authorised to file necessary form with Registrar of Companies and to do all such act, deeds and things as may be considered necessary to give effect to the above said resolution."

SPECIAL BUSINESS:

4. Re-Appointment of Mr. Ajayprakash Kanoria as Managing Director of the Company; For Brief Profile of Managing Director refer Annexure - ID.

To Consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other consents and permission as may be necessary, variations as may be approved and acceptable by the Members of the Company, approval be and is hereby accorded for the re-appointment of Mr. Ajayprakash Kanoria (DIN: 00041279) as Managing Director of the Company, for a period of 5 (five) years with effect from April 1, 2024 to March 31, 2029 with existing terms and conditions of remuneration i.e. payment of remuneration of 5% of net profit calculated in accordance with Section 198 of the Act, subject to remuneration of INR 3,00,000.00 (Indian Rupees Three Lakhs Only) per month plus 3% of net profit subject to maximum of 5% of net profit (calculated as per section 198 of the Companies Act, 2013, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Ajayprakash Kanoria, whose office will be liable to determination by retirement by rotation;

RESOLVED FURTHER THAT the Board of Directors, be and is hereby also authorized to take such steps, actions and do things, deeds, matters as may be required or are necessary so as to give effect to this Resolution."

5. Re-Appointment of Mrs. Alka Ajayprakash Kanoria as Whole-time Director of The Company; For Brief Profile of Whole-time Director refer Annexure - ID.

To Consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other consents and permission as may be necessary, variations as may be approved and acceptable by the Members of the Company, approval be and is hereby accorded for the re-appointment of Mrs. Alka Ajayprakash Kanoria (DIN: 00041346) as Whole-time Director of the Company, for a period of 5 (five) years with effect from April 1, 2024 to March 31, 2029 with existing terms and conditions of remuneration i.e. payment of remuneration of 5% of net profit calculated in accordance with Section 198 of the Act, subject to remuneration of INR 1,00,000.00 (Indian Rupees One Lakhs Only) per month plus 2% of net profit subject to maximum of 5% of net profit (calculated as per section 198 of the Companies Act, 2013, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mrs. Alka Ajayprakash Kanoria, whose office will be liable to determination by retirement by rotation;

RESOLVED FURTHER THAT the Board of Directors, be and is hereby also authorized to take such steps, actions and do things, deeds, matters as may be required or are necessary so as to give effect to this Resolution."

Signed this _____ day of _____ 2023

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp





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

MAP FOR AGM VENUE



EMKAY TAPS AND CUTTING TOOLS LTD.

Landmark:

-  Mahindra & Mahindra CO. – 600m- 2 min.
-  Distance from **Hingna T –Point**- 4.5 km – 10 min.
-  Distance from **Mascot Honda Bhagat Chowk**–1.8km- 6 min.
-  Distance from **IC square**- 1.4km-4 min.



EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LTD.

:: Factory Premises & Registered Office:

B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road,
Nagpur-440016 (India)



- 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

LIMITED REVIEW REPORT OF EMKAY TAPS AND CUTTING TOOLS LIMITED

Review Report

To,

The Board of Directors,

Emkay Taps and Cutting Tools Limited

We have reviewed the accompanying statement of unaudited financial results of Emkay Taps and Cutting Tools Limited for the period ended 30th September 2023. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M/s P. S. Thakare & Co.
Chartered Accountants
FRN No. 128572W



B. S. Thakare
Partner
Membership No. 127522



EMKAY TAPS AND CUTTING TOOLS LIMITED

Registered Office : B-27 & B-27/1, M.I.D.C. Hingna Industrial Estate, Nagpur -440016, Maharashtra, India

Website: www.etctl.com, Email: investors@etctl.com

CIN: L29220MH1995PLC091091

BALANCE SHEET**Standalone Unaudited Statement of Assets and Liabilities as on September 30, 2023**

(Rupees in Lakhs)

	Particulars	30.09.2023	31.03.2023
		Unaudited	Audited
I.	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	Share capital	1,067.13	1,067.13
	Reserves and surplus	24,611.52	21,525.00
2	Share application money pending allotment	-	-
3	Non-current liabilities		
	Long-term borrowings	-	12.50
	Deferred tax liabilities (Net)	101.58	87.21
	Other Long term liabilities	-	-
	Long-term provisions	-	-
4	Current liabilities		
	Short-term borrowings	437.37	560.02
	Trade payables	286.50	511.58
	Other current liabilities	621.57	615.05
	Short-term provisions	959.86	1,305.37
	TOTAL :	28,085.53	25,683.86
II.	ASSETS		
1	Non-current assets		
	<u>Property, Plant and Equipment</u>		
	Tangible assets	1,532.74	1,644.57
	Intangible assets	-	-
	Capital work-in-progress	-	-
	Intangible assets under development	-	-
	Non-current investments	21,011.74	18,746.80
	Deferred tax assets (Net)	-	-
	Long-term loans and advances	31.94	24.62
	Other non-current assets	-	-
2	Current assets		
	Current investments	-	-
	Inventories	1,746.91	1,705.99
	Trade receivables	2,316.86	1,964.15
	Cash and cash equivalents	291.26	128.94
	Short-term loans and advances	52.94	32.16
	Other current assets	1,101.14	1,436.63
	TOTAL :	28,085.53	25,683.86
		-	-

Place : Nagpur
Dated : 30/10/2023

For Emkay Taps And Cutting Tools Ltd.


Ajayprakash Kanoria
Chairman, Managing Director & CEO
DIN No.: 00041279

EMKAY TAPS AND CUTTING TOOLS LIMITED

Registered Office : B-27 & B-27/1, M.I.D.C. Hingna Industrial Estate, Nagpur -440016, Maharashtra, India

Website: www.etctl.com, Email: investors@etctl.com

CIN: L29220MH1995PLC091091

STATEMENT OF PROFIT AND LOSS**Standalone Unaudited Financial Results for the half year ended on September 30, 2023**

(Rupees in Lakhs)

	Particulars	6 Month Ended			Year Ended	
		30.09.2023	31.03.2023	30.09.2022	31.03.2023	
		Unaudited	Audited	Unaudited	Audited	
I	Revenue from Operation	4,890.78	4,407.31	4,454.26	8,861.57	
II	Other income	1,654.29	1,307.11	334.54	1,641.65	
III	Total Income (I + II)	6,545.07	5,714.42	4,788.80	10,503.22	
IV	Expenses:					
	Cost of materials consumed	844.77	904.35	685.22	1,589.57	
	Purchase of Stock-in-Trade					
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(65.34)	(180.23)	(127.90)	(308.13)	
	Manufacturing expenses	894.59	934.88	863.68	1,798.56	
	Employee benefits expenses	353.93	285.84	320.66	606.50	
	Finance costs	6.37	9.31	4.96	14.27	
	Depreciation and amortization expenses	129.81	157.00	154.14	311.14	
	Other expenses	460.33	470.36	358.69	829.05	
	Total Expenses	2,624.46	2,581.51	2,259.45	4,840.96	
V	Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)	3,920.61	3,132.91	2,529.35	5,662.26	
VI	Exceptional items	-	-	-	-	
VII	Profit/(Loss) before extraordinary items and tax (V - VI)	3,920.61	3,132.91	2,529.35	5,662.26	
VIII	Extraordinary item	-	-	-	-	
IX	Profit/(Loss) before tax (VII-VIII)	3,920.61	3,132.91	2,529.35	5,662.26	
X	Tax expenses					
	1) Income tax	819.72	675.03	578.39	1,253.42	
	2) Deferred tax	14.37	(28.48)	24.54	(3.94)	
XI	Profit/(Loss) For the period from continuing operations (IX-X)	3,086.52	2,486.36	1,926.42	4,412.78	
XII	Profit/(Loss) from discontinuing operations	-	-	-	-	
XIII	Tax expenses of discontinuing operations	-	-	-	-	
XIV	Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	
XV	Profit/(Loss) for the period (XI + XIV)	3,086.52	2,486.36	1,926.42	4,412.78	
XVI	Earnings per equity share (of Rs. 10 each fully paid)					
	(a) Basic	28.92	23.30	18.05	41.35	
	(b) Diluted	28.92	23.30	18.05	41.35	

Notes:

- The above unaudited financial results are reviewed by Audit Committee and have been approved by the Board of Directors of the Company at their meeting held on October 30, 2023.
- Figures have been re-grouped or re-classified, wherever necessary
- The Company is engaged in manufacturing of threading taps and cutting tools & Power generation through wind mill.
- Figures of last half year of previous year ended March 31, 2023 are the balancing figures between the audited figures of year ended on March 31, 2023 and half year ended on September 30, 2022.
- Provision of tax has been made as per Income Tax Act, 1961. Tax expense includes Provision for Current Tax and provision for deferred Tax.
- The above financial results are available on Companies website www.etctl.com and the Stock Exchange website

Place : Nagpur

Dated : 30/10/2023

For Emkay Taps And Cutting Tools Ltd



Ajayprakash Kanoria

Chairman, Managing Director & CEO

DIN No.: 00041279



EMKAY TAPS AND CUTTING TOOLS LIMITED

Registered Office : B-27 & B-27/1, M.I.D.C. Hingna Industrial Estate, Nagpur -440016, Maharashtra, India

Website: www.etctl.com, Email: investors@etctl.com

CIN: L29220MH1995PLC091091

**Reporting on Segment Wise Revenues, Results, Assets & Liabilities
Under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

(Rs. in Lakhs)

Sr. No.	Particulars	6 Month Ended			Year Ended
		30.09.2023	31.03.2023	30.09.2022	31.03.2023
		Unaudited	Audited	Unaudited	Audited
1	Segment Revenue				
	(a) Manufacturing of Taps & Cutting Tools	4,810.58	4,363.65	4,369.96	8,733.61
	(b) Production of Power through Windmill	98.76	51.66	97.83	149.49
	(c) Unallocated Total	1,635.73	1,299.11	321.01	1,620.12
	Net Segment Revenue	6,545.07	5,714.42	4,788.80	10,503.22
2	Segment Results				
	(a) Manufacturing of Taps & Cutting Tools	2,411.76	1,875.12	2,372.22	4,247.34
	(b) Production of Power through Windmill	38.60	17.50	39.73	57.23
	(c) Unallocated Total	1,476.62	1,249.60	122.36	1,371.96
	Total	3,926.98	3,142.22	2,534.31	5,676.53
	Less: i) Interest	6.37	9.31	4.96	14.27
	ii) Other Un-allocable Expenditure net off	-	-	-	-
	(iii) Un-allocable income Total Profit Before Tax	-	-	-	-
	Total Profit before Tax	3,920.61	3,132.91	2,529.35	5,662.26
3	Segment Assets				
	(a) Manufacturing of Taps & Cutting Tools	6,310.37	6,302.31	5,143.73	6,302.31
	(b) Production of Power through Windmill	298.40	300.56	300.85	300.56
	(c) Unallocated Total	21,476.76	19,080.99	16,966.57	19,080.99
	Total	28,085.53	25,683.86	22,411.15	25,683.86
4	Segment Liability				
	(a) Manufacturing of Taps & Cutting Tools	895.51	1,680.09	977.87	1,680.09
	(b) Production of Power through Windmill	14.71	2.12	12.15	2.12
	(c) Unallocated Total	575.36	56.41	654.43	56.41
	Total	1,485.58	1,738.62	1,644.45	1,738.62

Segment Identification, Reportable Segments and Definition of each segment:

- The above Financials results have been arrived at after going through the Balance Sheet and Profit & Loss Account for the Company for the Period ended on 30th September, 2023.
- This segment report of M/s Emkay Taps & Cutting Tools Ltd. is prepared in accordance to the Accounting Standard 17 - "Segment Reporting"
- For the purpose of this reporting, Business Segment are considered as primary segments. Since the Company is operating from single location. There are no Geographical segments for the company. However, based on Business Line, there are 2 segments, viz., Manufacturing of Tools and Generation of Power.
- The Measurement principles for segment reporting are based on IND AS adopted in the consolidated financial statements. segments performance is evaluated based on segments revenue and profit and loss from operating activities, i.e, Segments Results.
- Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment. Finance Income earned and finance expense incurred is not allocated to individual segment and the same has been reflected at the Group Level for segment reporting. Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the Period the change occurs. Segment information prior to the change in terms is not restated. These transactions have been eliminated on consolidation. The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial instruments, deferred tax assets
- Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial instruments.

Place : Nagpur
Dated : 30/10/2023

For Emkay Taps And Cutting Tools Ltd.

Ajayprakash Kanoria
Chairman, Managing Director & CEO
DIN No.: 00041279

EMKAY TAPS AND CUTTING TOOLS LIMITED

Registered Office : B-27 & B-27/1, M.I.D.C. Hingna Industrial Estate, Nagpur -440016, Maharashtra, India

Website: www.etctl.com, Email: investors@etctl.com

CIN: L29220MH1995PLC091091

Standalone unaudited cash flow statement

(Rs. in Lakhs)

Particulars	6 Month Ended	
	30.09.2023	30.09.2022
Cash Flow From Operating Activities:		
Profit before tax	3,920.61	2,529.35
Adjustment for:		
Depreciation & Amortisation Expenses	129.81	154.14
Interest Paid	6.37	4.96
Interest Received / Other Non Operative Receipt	(1,641.86)	(325.78)
Operating Profit before Working Capital Changes	2,414.93	2,362.67
Movement in working capital		
Decrease / (Increase) in inventories	(40.93)	(456.41)
Decrease / (Increase) in trade receivable	(352.70)	(268.63)
Decrease / (Increase) in short term loans & advances	(20.77)	(3.73)
Decrease / (Increase) in other current assets	(269.16)	(35.63)
Increase / (Decrease) in trade payable	(225.08)	53.92
Increase / (Decrease) in other current liabilities	6.52	(31.50)
Increase / (Decrease) in short term provisions	33.35	24.72
Cash Generated from Operation	1,546.16	1,645.41
Taxes Paid (Net of Refunds)	(593.94)	(406.23)
Net Cash from Operating Activities	952.22	1,239.18
Cash Flow Used In Investing Activities:		
Fixed Asset Purchased (Net)	(14.68)	(29.67)
Interest Received / Other Non Operative Receipt	1,638.56	325.11
Adjustment for:		
Long Term Loan & Advances	(7.32)	(7.62)
Non Current Investments	(2,264.94)	(1,878.32)
Other Non Current Assets	-	-
Net Cash flow used in Investing Activities	(648.38)	(1,590.50)
Cash Flow From Financing Activities:		
Payment on Buy Back of Share Capital		-
Proceeds from Short term borrowings	(122.65)	269.72
Proceeds from Long term borrowings	(12.50)	(25.00)
Payment of Dividend and tax on it		
Interest paid	(6.37)	(4.96)
Net Cash flow from Financing Activities	(141.52)	239.76
Net Increase / (Decrease) in Cash & Cash Equivalents	162.32	(111.56)
Cash & Cash Equivalents at the beginning of the year	128.94	124.39
Cash & Cash Equivalents at the end of the year	291.26	12.83

Place : Nagpur
Dated : 30/10/2023

For Emkay Taps And Cutting Tools Ltd.


Ajayprakash Kanoria

Chairman, Managing Director & CEO
DIN No.: 00041279





- Nagpur : Indo Unique Plaza, Opp. Bole Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001. (Maharashtra) INDIA Tel. : 0712 - 2520280 Fax : 0712-2532920
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- e-mail : psthakare20@gmail.com / mail@psthakareandco.com

RESTATED FINANCIAL STATEMENT INFORMATION

Independent Auditor's Examination report on Special Purpose Interim Restated Financial Statement of Emkay Tools Limited for the period ended on 31st December 2023

To,
The Board of Directors,
Emkay Tools Limited,
Plot No. B - 27 & B - 27/1,
MIDC Hingna, Industrial Estate,
Nagpur - 440 016, Maharashtra,
India

Dear Sirs/Madam,

1. We have examined the accompanying Special Purpose Interim Financial Statements of Emkay Tools Limited ('the Company'), which comprise the Special Purpose Interim Balance Sheet as at 31st December 2023, the Special purpose Interim Statement of Profit and Loss, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively referred to as, the "Restated Financial Information") for the purpose of inclusion in the Abridged Prospectus prepared by the Company in connection with the 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 And other applicable provisions of the Companies Act, 2013 ("Act") And Rules Framed Thereunder (Hereinafter Referred To As "Scheme") pursuant to which the Company is proposed to be listed on SME Platform of National Stock Exchange of India Limited ("NSE EMERGE").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Interim Financial Statements are prepared, in all material respects, in accordance with the basis of preparation described in Note 3 to these Special Purpose Interim Financial Statements.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Interim Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI" together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of Preparation and Restriction on Distribution and Use

4. Without modifying our opinion, we draw attention to Note 18(a)(1) to the accompanying Special Purpose Interim Financial Statements, which describes the basis of its preparation. The Special Purpose Interim Financial Statements have been prepared by the Company's management only for the limited purpose of its inclusion in the Abridged Prospectus to be prepared by Emkay Tools Limited ('the





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- e-mail : psthakare20@gmail.com / mail@psthakareandco.com

Resulting Company") in terms of the requirements of Securities and Exchange Board of India ("SEBI") Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 read with Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Section 26 of Part I of Chapter III of the Act, in connection with the 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 And other applicable provisions of the Companies Act, 2013 ("Act") And Rules framed thereunder for demerger of its manufacturing business and transferred into the Company, pursuant to which the Company is proposed to be listed on SME Platform of National Stock Exchange of India Limited ("NSE EMERGE"). Therefore, these Special Purpose Interim Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Interim Financial Statements

5. The accompanying Special Purpose Interim Financial Statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for preparation of these Special Purpose Interim Financial Statements in accordance with the basis of preparation described in note 1B(a)(i) to such Special Purpose Interim Financial Statements. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Interim financial statements, in all material respects, in accordance with the basis of preparation specified in aforementioned note 1B(a)(i), that are free from material misstatement, whether due to fraud or error.
6. In preparing the Special Purpose Interim Financial Statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the Special Purpose Interim Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Interim Financial Statements.





- **Nagpur** : Indo Unique Plaza, Opp. Bole Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001. (Maharashtra) INDIA Tel. : 0712 - 2520280 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 / mail@psthakareandco.com

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose interim Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For P S Thakare & Co.

Chartered Accountants Firm Reg.No:128572W

Peer Review Certificate No: 014378

CA B. S. Thakare (Partner)

Membership No: 127522



Place: Nagpur

Date: 21/03/2024

UDIN: 24127522BKDGYW1360

EMKAY TOOLS LTD.
RESTATED BALANCE SHEET AS ON 31st DECEMBER 2023

ANNEXURE : 1 :

PARTICULARS	ANNEXURE	Figures as on 31/12/2023
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	3	1,00,000.00
(b) Reserves and Surplus	4	-
(2) Share application money pending allotment		
-		
(3) Non-Current Liabilities		
(a) Long-term borrowings		-
(b) Deferred tax liabilities (Net)		-
(c) Other Long term liabilities		-
(4) Current Liabilities		
(a) Short-term borrowings	5	2,71,159.00
(b) Trade payables		-
(c) Other current liabilities	6	125.00
(d) Short-term provisions		-
		3,71,284.00
II.Assets		
(1) Non-current assets		
(a) Fixed assets		
(i) Property, Plant and Equipment		-
(ii) Intangible assets		-
(iii) Capital work-in-progress		-
(iv) Intangible assets under development		-
(b) Non-current investments		-
(c) Deferred tax assets (net)		-
(d) Long term loans and advances	7	20,000.00
(e) Other non-current assets		-
(2) Current assets		
(a) Current investments		-
(b) Inventories		-
(c) Trade receivables		-
(d) Cash and cash equivalents	8	58,466.00
(e) Short-term loans and advances		-
(f) Other current assets	9	2,92,818.00
		3,71,284.00
		-

For Emkay Tools Limited

Place : Nagpur

Dated : 21/03/2024

UDIN : 24127522BKDGYW1360

Deep
Director

For M/s P. S. Thakare & Co.

Chartered Accountant

FRN 128572W

For Emkay Tools Limited
For Emkay Tools Limited

Deep
Company Secretary

A-37324
AS9159

V. S. Thakare
Chief Finance Officer



B. S. Thakare
B. S. Thakare

Partner

Membership No. 127522

EMKAY TOOLS LTD.

RESTATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st DECEMBER 2023

ANNEXURE : 2 :

PARTICULARS		Figures as on 31/12/2023
I. Revenue from operations		-
II. Other Income		-
III. Total Income		-
IV. Expenses:		
Cost of materials consumed		-
Purchase of Stock-in-Trade		-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-
Employee benefit expense		-
Administration Expenses		-
Financial costs		-
Depreciation and amortization expense		-
Other Expenses		-
Total Expenses		-
V. Profit before exceptional and extraordinary items and tax	(III - IV)	-
VI. Exceptional Items		-
VII. Profit before extraordinary items and tax	(V - VI)	-
VIII. Extraordinary Items		-
IX. Profit before tax	(VII - VIII)	-
X. Tax expense:		
(1) Current tax		-
(2) Deferred tax		-
XI. Profit(Loss) from the period from continuing operations	(IX - X)	-
XII. Profit/(Loss) from discontinuing operations		-
XIII. Tax expense of discounting operations		-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)	(XII - XIII)	-
XV. Profit/(Loss) for the period (XI + XIV)	(XI + XIV)	-
XVI. Earning per equity share:		
(1) Basic		-
(2) Diluted		-

For Emkay Tools Limited

Place : Nagpur

Dated :21/03/2024

UDIN : 24127522BKDGYW1360

[Signature]
Director

For M/s P. S. Thakare & Co.

Chartered Accountant

FRN 128572W

For Emkay Tools Limited

For Emkay Tools Limited

[Signature]
Company Secretary
A 37324

A59159

[Signature]
Chief Finance Officer



[Signature]
B. S. Thakare
Partner

Membership No. 127522

EMKAY TOOLS LTD.

figures in Rs.

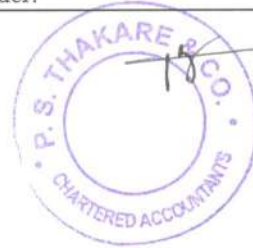
PARTICULARS	AMOUNT AS ON 31/12/2023
ANNEXURE : 3 :	
SHARE CAPITAL	
AUTHORISED	
12500000 Equity share of Rs. 1/- each	1,25,00,000.00
ISSUED AND SUBSCRIBED	
100000 Equity Share of Rs. 1/- each fully paid	1,00,000.00
PAID UP	
100000 Equity Share of Rs. 1/- each fully paid	1,00,000.00
TOTAL :	1,00,000.00

1.1 Reconciliation of number of shares outstanding at the beginning and at the year of the year

	Period Ended 31st December 2023	
	No. of Share	In Rs.
Number of shares at the beginning of the year	-	-
Add : Alloted during the year	100000	1,00,000.00
On Preferential Basis	-	-
On Rights Issue	-	-
Number of shares at the end of the year	100000	1,00,000.00

1.2 Terms/Rights attached to equity Shares

The company has only one class of equity shares having a par value of Rs. 1/- per share. Each Shareholder is eligible for one vote per share held. In an event of liquidation of the company, the equity shareholders will be entitle to receive any of the remaining assets of the Company, after distribution of all preferential amounts. the distribution will be in the proportion to the number of equity shares held by the shareholder.



EMKAY TOOLS LTD.**Notes forming part of the financial statements**

Note	Particulars
2	The Company is presently engaged in the business of Manufacture of Taps & Cutting Tools. The registered office of the company is situated at Plot No. B-27 & B-27/1, MIDC Hingna Industrial Estate, Nagpur - 440016. The Company is Public Limited Company Limited by shares.
2.1	The Company is a Public Company.
	3 SIGNIFICANT ACCOUNTING POLICIES :
	3.1 Basis of accounting and preparation of financial statements
	The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards as notified and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention . The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year .
	3.2 Use of estimates
	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
	3.3 Depreciation and amortisation
	Depreciation has been provided on the value of Fixed Assets acquired as per the rates and manner as prescribed in Schedule II to the Companies Act, 2013. In respect of additions/extensions forming integral part of existing assets & adjustments to Fixed Assets on account of exchange difference, if any, depreciation has been provided over residual life of the respective fixed assets.
	Leasehold Land, if any, has been amortised over the period of lease.
	3.4 Revenue recognition
	Income & expenses are recognised and accounted on accrual basis . Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition is postponed to the extent of uncertainty involved.
	3.5 Tangible fixed assets
	Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.



EMKAY TOOLS LTD.

3.6 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The company has not issued any dilutable Shares to any persons. The EPS has been calculated as per Accounting Standard 20 "Earning Per share" issued by The Institute of Chartered Accountants of India.

3.7 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

3.8 Investment

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

3.9 Inventory

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

3.10 Employee Benefits

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

3.11 Cash Flow Statements :

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



3.12 Impairment of assets

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

3.13 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. The Accounting Standard - 29 issued has been duly followed while preparing the Balance Sheet for the year ended on 31st December 2023.



PARTICULARS		AMOUNT AS ON 31/12/2023
<u>ANNEXURE : 4 :</u>		
<u>RESERVE AND SURPLUS</u>		
<u>PROFIT AND LOSS ACCOUNT</u>		
Opening Balance	-	
Add : Profit during the year	-	-
		-
<u>ANNEXURE : 5 :</u>		
<u>SHORT TERM BORROWINGS</u>		
Emkay Taps and Cutting Tools Ltd.	50,000.00	
Emkay Tools, Nagpur	2,21,159.00	2,71,159.00
		2,71,159.00
<u>ANNEXURE : 6 :</u>		
<u>OTHER CURRENT LIABILITIES</u>		
Liability For Expenses		125.00
		125.00
<u>ANNEXURE : 7 :</u>		
<u>LONG TERM LOANS AND ADVANCES</u>		
<u>(Advances recoverable in cash or in kind or for value to be received)</u>		
Security Deposits		20,000.00
		20,000.00
<u>ANNEXURE : 8 :</u>		
<u>CASH AND CASH EQUIVALENTS</u>		
a) Cash in Hand	-	
b) Balances with Bank	58,466.00	58,466.00
		58,466.00
<u>ANNEXURE : 9 :</u>		
<u>OTHER CURRENT ASSETS</u>		
Preoperative Expenses	2,92,818.00	2,92,818.00
		2,92,818.00



EMKAY TAPS AND CUTTING TOOLS LTD.
Statement of Assets, Liabilities, Net-worth, and Revenue pre and post demerger

(Note:- The amounts mentioned below are as on September 30, 2023, and are provided only for illustrative purposes. These amounts may change as on the Appointed Date of the Scheme i.e. April 1, 2024.

Figures are in (Rs.) and as on 30.09.2023

SN	Particulars	Pre-Demerger Assets and Liabilities	Assets and Liabilities of Demerged Undertaking to be transferred pursuant to the Scheme	Post-Demerger Assets and Liabilities
A	DETAILS OF ASSETS AND LIABILITIES			
	EQUITY AND LIABILITIES :-			
(1)	Shareholder's Funds			
(a)	Share Capital	10,67,13,000	-	10,67,13,000
(b)	Reserves And Surplus			
	i) Share Premium Account	4,20,40,780	-	4,20,40,780
	ii) Sicom Capital Incentive Reserve	29,75,000	29,75,000	-
	iii) D.C.V.L. Subsidy	9,70,900	9,70,900	-
	iv) Industrial Promotion Subsidy	2,27,95,030	2,27,95,030	-
	v) Profit & Loss Account	2,39,23,70,109	45,10,26,564	1,94,13,43,545
	Total (b):-	2,46,11,51,819	47,77,67,494	1,98,33,84,325
(2)	Share Application Money Pending Allotment	-	-	-
(3)	Non-Current Liabilities:-			
(a)	Long-Term Borrowings			
	i) ICICI Bank Term Loan	-	-	-
(b)	Deferred Tax Liabilities (Net)	1,01,58,475	49,64,845	51,93,630
(4)	Current Liabilities:-			
(a)	Short-Term Borrowings			
	i) ICICI Bank Ltd :	-	-	-
	Cash Credit Account No. : 624251000017			
	ii) ICICI Bank Ltd :	37,50,000	37,50,000	-
	Current Maturity of Long Term Loan due within 12 months	-	-	-
	iii) ICICI Bank Ltd :	3,99,87,037	-	3,99,87,037
	FD Overdraft Account No. : 624205019910			
	Total (a):-	4,37,37,037	37,50,000	3,99,87,037
(b)	Trade Payables			
	Due to :			
	Micro and Small Enterprises	17,29,015	17,29,015	-
	Other Payables	2,65,29,188	2,52,52,168	12,77,020
	Related Party	3,92,132	3,92,132	-
	Total (b):-	2,86,50,335	2,73,73,315	12,77,020
(c)	Other Current Liabilities			
	i) Deposits & Advances Received	8,53,060	8,53,060	-
	ii) Liability For Expenses	4,38,88,455	3,41,23,418	97,65,037
	iii) Statutory Liabilities	1,62,31,294	1,60,02,556	2,28,738
	iv) Other Credit Balances	11,84,046	2,56,456	9,27,590
	Total (c):-	6,21,56,855	5,12,35,490	1,09,21,365
(d)	Short-Term Provisions			
	i) For Employee Benefits	57,16,226	57,16,226	-
	ii) For Others	9,02,69,510	6,02,29,585	3,00,39,925
	Total (d):-	9,59,85,736	6,59,45,811	3,00,39,925
	Total Equity & Liabilities:-	2,80,85,53,257	63,10,36,955	2,17,75,16,302
	ASSETS :-			
(1)(a)	Non-Current Assets:-			
	Fixed assets			
	(i) Property, Plant and Equipment :-			
	Land No. 1	13,50,000	13,50,000	-
	Land No. 2	7,66,710	7,66,710	-
	Building No. 1	1,66,87,443	1,66,87,443	-
	Building No. 2	7,85,686	7,85,686	-
	Furniture & Fixture	15,85,975	15,85,975	-
	Mobile Phone	80,774	80,774	-
	Office Equipments	4,58,738	4,58,738	-
	Plant & Machinery	8,86,19,700	8,86,19,700	-
	Generator	44,858	44,858	-
	Compressors	13,05,889	13,05,889	-
	Transformers	3,59,386	3,59,386	-
	Transport Trolleys	13,611	13,611	-
	Coolant Tower (L-6)	3,32,312	3,32,312	-
	Coolant Tower (B-27)	6,23,482	6,23,482	-
	Air Conditioners	6,45,418	6,45,418	-
	Elevator (Lift)	3,11,150	3,11,150	-
	Computers	10,75,198	10,75,198	-
	Computer Software	30,012	30,012	-
	Inspection Equipments	15,97,846	15,97,846	-
	Electricals Installations	6,10,519	6,10,519	-
	Fax Machine	5,402	5,402	-
	Pollution Control Equipment	2,13,501	2,13,501	-
	Motor Car	38,53,856	38,53,856	-
	Loader E-Cart (Electric Rickshaw)	24,306	24,306	-

SN	Particulars	Pre-Demerger Assets and Liabilities	Assets and Liabilities of Demerged Undertaking to be transferred pursuant to the Scheme	Post-Demerger Assets and Liabilities
	Motor Cycle	87,173	87,173	-
	Fire Safety Equipment	6,17,705	6,17,705	-
	Solar Plant	58,51,355	58,51,355	-
	Wind Mill [Mysore]	74,36,232	-	74,36,232
	Wind Mill 2 [Rajasthan]	1,31,99,630	-	1,31,99,630
	Lease Hold Land	15,00,000	-	15,00,000
	Lease Hold Land 2 [Rajasthan]	32,00,000	-	32,00,000
	Total (a):-	15,32,73,867	12,79,38,005	2,53,35,862
(b)	Non-Current Investments			
	i) In Mutual Funds	27,19,04,491	-	27,19,04,491
	ii) In Quoted Equity Shares	1,08,16,27,977	-	1,08,16,27,977
	iii) In Unquoted Equity Shares	1,65,94,205	-	1,65,94,205
	iv) In Portfolio Management Service (PMS)	52,61,83,161	-	52,61,83,161
	v) In Fixed Deposit Receipts	20,48,64,067	4,19,367	20,44,44,700
	Total (b):-	2,10,11,73,901	4,19,367	2,10,07,54,534
(c)	Deferred tax assets (net)	-	-	-
(d)	Long term loans and advances			
	i) Capital Advances	22,000	22,000	-
	ii) Security Deposits	31,71,911	31,43,911	28,000
	Total (d):-	31,93,911	31,65,911	28,000
(e)	Other non-current assets	-	-	-
(2)	Current Assets:-			
(a)	Current Investments	-	-	-
(b)	Inventories	17,46,91,531	17,46,91,531	-
(c)	Trade Receivables	23,16,85,934	22,81,10,779	35,75,155
(d)	Cash And Cash Equivalents			
	i) Cash in Hand	3,67,868	3,61,832	6,036
	ii) Balances with Bank	2,87,57,733	2,22,82,147	64,75,586
	Total (d):-	2,91,25,601	2,26,43,979	64,81,622
(e)	Short-Term Loans And Advances			
	i) Advances with the Suppliers	7,24,874	5,52,554	1,72,320
	ii) Loans & Advances to Staff	4,98,710	4,98,710	-
	iii) Other Advances	40,70,096	39,55,650	1,14,446
	Total (e):-	52,93,680	50,06,914	2,86,766
(f)	Other Current Assets			
	Advances with Revenue Authorities	7,32,45,413	6,85,18,219	47,27,194
	Other Debit Balances	3,68,69,419	5,42,250	3,63,27,169
	Total (f):-	11,01,14,832	6,90,60,469	4,10,54,363
	Total Assets:-	2,80,85,53,257	63,10,36,955	2,17,75,16,302
	Note:- There is no Contingent Liability in the company as on 30/09/2023.			
B	DETAILS OF NET-WORTH			
A	Net Worth of the Company	2,56,78,64,819	47,77,67,494	2,09,00,97,325
		2,56,78,64,819	47,77,67,494	2,09,00,97,325
C	DETAILS OF REVENUE			
	Revenue for period ended September 30, 2023	65,45,06,708	48,10,58,034	17,34,48,674
	Revenue for year ended March 31, 2023	1,05,03,22,831	87,33,61,161	17,69,61,670

EMKAY TOOLS LTD
(Unaudited) Statement of Assets & Liabilities

(Note:- The amounts mentioned below are as on September 30, 2023 i.e. the date of last unaudited financial statements. These amounts may change as on the Appointed Date of the Scheme i.e. April 1, 2024)

Figures are in (Rs.) and as on 30.09.2023

SN	Particulars	Pre-Demerger Assets and Liabilities	Assets and Liabilities of Demerged Undertaking to be transferred from pursuant to the Scheme	Post-Demerger Assets and Liabilities
A	DETAILS OF ASSETS AND LIABILITIES			
	EQUITY AND LIABILITIES :-			
(1)	Shareholder's Funds			
(a)	Existing Share Capital	1,00,000	(1,00,000)	-
(b)	New equity shares issued pursuant to the demerger	-	1,06,71,300	1,06,71,300
(c)	Reserves And Surplus			
	i) Share Premium Account			-
	ii) Sicom Capital Incentive Reserve		29,75,000	29,75,000
	iii) D.C.V.L. Subsidy		9,70,900	9,70,900
	iv) Industrial Promotion Subsidy		2,27,95,030	2,27,95,030
	v) Profit & Loss Account		45,10,26,564	44,04,55,264
	Total (c):-	-	47,77,67,494	46,71,96,194
(2)	Share Application Money Pending Allotment			
(3)	Non-Current Liabilities:-			-
(a)	Long-Term Borrowings			
	i) ICICI Bank Term Loan			-
(b)	Deferred Tax Liabilities (Net)		49,64,845	49,64,845
(4)	Current Liabilities:-			
(a)	Short-Term Borrowings			
	i) ICICI Bank Ltd :			-
	Cash Credit Account No. : 624251000017			
	ii) ICICI Bank Ltd :		37,50,000	37,50,000
	Current Maturity of Long Term Loan due within 12 months			
	iii) Others	2,61,159	-	2,61,159
	Total (b):-	2,61,159	37,50,000	40,11,159
(b)	Trade Payables			
	Due to :			
	Micro and Small Enterprises		17,29,015	17,29,015
	Other Payables		2,52,52,168	2,52,52,168
	Related Party		3,92,132	3,92,132
	Total (c):-	-	2,73,73,315	2,73,73,315
(c)	Other Current Liabilities			
	i) Deposits & Advances Received		8,53,060	8,53,060
	ii) Liability For Expenses	125	3,41,23,418	3,41,23,543
	iii) Statutory Liabilities		1,60,02,556	1,60,02,556
	iv) Other Credit Balances		2,56,456	2,56,456
	Total (d):-	125	5,12,35,490	5,12,35,615
(d)	Short-Term Provisions			
	i) For Employee Benefits		57,16,226	57,16,226
	ii) For Others		6,02,29,585	6,02,29,585
	Total (e):-	-	6,59,45,811	6,59,45,811
	Total Equity & Liabilities:-	3,61,284	63,10,36,955	63,13,98,239
ASSET				
S :-				
(1)(a)	Non-Current Assets:-			
	Fixed assets			
	(i) Property, Plant and Equipment :-			
	Land No. 1		13,50,000	13,50,000
	Land No. 2		7,66,710	7,66,710
	Building No. 1		1,66,87,443	1,66,87,443
	Building No. 2		7,85,686	7,85,686
	Furniture & Fixture		15,85,975	15,85,975
	Mobile Phone		80,774	80,774
	Office Equipments		4,58,738	4,58,738
	Plant & Machinery		8,86,19,700	8,86,19,700

SN	Particulars	Pre-Demerger Assets and Liabilities	Assets and Liabilities of Demerged Undertaking to be transferred from pursuant to the Scheme	Post-Demerger Assets and Liabilities
	Generator		44,858	44,858
	Compressors		13,05,889	13,05,889
	Transformers		3,59,386	3,59,386
	Transport Trolleys		13,611	13,611
	Coolant Tower (L-6)		3,32,312	3,32,312
	Coolant Tower (B-27)		6,23,482	6,23,482
	Air Conditioners		6,45,418	6,45,418
	Elevator (Lift)		3,11,150	3,11,150
	Computers		10,75,198	10,75,198
	Computer Software		30,012	30,012
	Inspection Equipments		15,97,846	15,97,846
	Electricals Installations		6,10,519	6,10,519
	Fax Machine		5,402	5,402
	Pollution Control Equipment		2,13,501	2,13,501
	Motor Car		38,53,856	38,53,856
	Loader E-Cart (Electric Rickshaw)		24,306	24,306
	Motor Cycle		87,173	87,173
	Fire Safety Equipment		6,17,705	6,17,705
	Solar Plant		58,51,355	58,51,355
	Total (a):-	-	12,79,38,005	12,79,38,005
(b)	Non-Current Investments			
	i) In Fixed Deposit Receipts		4,19,367	4,19,367
	Total (b):-	-	4,19,367	4,19,367
(c)	Deferred tax assets (net)			
(d)	Long term loans and advances			
	i) Capital Advances		22,000	22,000
	ii) Security Deposits	20,000	31,43,911	31,63,911
	Total (c):-	20,000	31,65,911	31,85,911
(e)	Other non-current assets			
(2)	Current Assets:-			
(a)	Current Investments			-
(b)	Inventories		17,46,91,531	17,46,91,531
(c)	Trade Receivables		22,81,10,779	22,81,10,779
(d)	Cash And Cash Equivalents			
	i) Cash in Hand		3,61,832	3,61,832
	ii) Balances with Bank	48,466	2,22,82,147	2,23,30,613
	Total (d):-	48,466	2,26,43,979	2,26,92,445
(e)	Short-Term Loans And Advances			
	i) Advances with the Suppliers		5,52,554	5,52,554
	ii) Loans & Advances to Staff		4,98,710	4,98,710
	iii) Other Advances		39,55,650	39,55,650
	Total (e):-	-	50,06,914	50,06,914
(f)	Other Current Assets			
	Advances with Revenue Authorities		6,85,18,219	6,85,18,219
	Other Debit Balances		5,42,250	5,42,250
	Miscellaneous Expenditure	2,92,818	-	2,92,818
	Total (f):-	2,92,818	6,90,60,469	6,93,53,287
	Total Assets:-	3,61,284	63,10,36,955	63,13,98,239
Note:- There is no Contingent Liability in the company as on 30/09/2023.				
B	DETAILS OF NET-WORTH			
A	Net Worth of the Company	1,00,000	47,77,67,494	47,78,67,494
		1,00,000	47,77,67,494	47,78,67,494
C	DETAILS OF REVENUE			
	Revenue for period ended September 30, 2023	-	48,10,58,034	48,10,58,034.00
	Revenue for year ended March 31, 2023	-	87,33,61,161	87,33,61,161.00



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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,





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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





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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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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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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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Annexure to the certificate

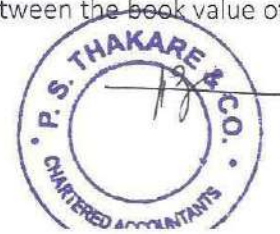
Relevant extract of the proposed draft Scheme of Arrangement between Emkay Taps And Cutting Tools Limited ("Company" or "Demerged Company") and Emkay Tools Limited ("Resulting Company") and their respective shareholders in terms of the provisions of Sections 230 to 232 read with Section 66 and other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

REPORT OF BOARD OF DIRECTORS OF

EMKAY TAPS AND CUTTING TOOLS LIMITED ("THE COMPANY")

[Section 232(2)(C) of the Companies Act, 2013 read with Rule 6(3)(Vi) of the Companies
(Compromises, Arrangements And Amalgamations) Rules, 2016]

To,

The Stakeholders of Emkay Taps and Cutting Tools Limited,

Your Board of Directors are pleased to present their report to be adopted under section 232(2)(C) of the Companies Act, 2013 read with Rule 6(3)(Vi) of the Companies (Compromises, Arrangements And Amalgamations) Rules, 2016. We have thoroughly examined the draft scheme presented to us and based on recommendation of the Audit Committee have taken into consideration various factors, including the provisions stated in para (A)(2)(i) of Part I of the SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

We hereby submit our report and recommendations regarding the scheme, ensuring the protection of shareholders' interests as under: -

1. Background:

- 11 The proposed scheme of arrangement ('Scheme') under the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 other applicable provisions of the Companies Act, 2013 and rules and 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 provides for the demerger of the Demerged Undertaking (defined in clause 1.9 of the Scheme) 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 in the Scheme) of the Resulting Company to the shareholders of Demerged Company.
- 12 The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Directors / Key Managerial Personnel, Promoter / Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders / creditors.
- 13 The Scheme was approved by the Board of Directors of the Company ('Board') vide resolution passed in their meeting held on Thursday June 29, 2023 and having regard to the aforesaid provision, the Board took into consideration, *interalia*, the rationale of the Scheme, consideration involved, its impact on the Company's stakeholders, the financial position of the





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Companies and other documents placed before it.

2. Rationale for the Scheme:

- 21 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.
- 22 The Manufacturing Business (defined in clause 1.13 of the Scheme) has different characteristics, risk, and rewards than the remaining business of the Demerged Company (defined in clause 1.99 of the Scheme). Consequently, growth and expansion of the Manufacturing Business (defined in clause 1.1313 of the Scheme) 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.
- 23 The Scheme will achieve the following benefits:
 - 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.





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- 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.

24 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.

3. Effect of the Scheme on the stakeholders of the Company:

SN	Particulars	Effect
1.	Shareholders	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 of the 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").
2.	Directors and Key Managerial Personnel (KMP)	<p>The Directors and KMPs of the Company shall continue as Director and KMP of the Company after effectiveness of the Scheme. The Directors and KMPs who are shareholders of the Company will be allotted shares like the other shareholders of the Company.</p> <p>Please refer to point (1) above for details regarding effect on the shareholders.</p> <p>Other than such allotment of shares, the Directors and KMPs are not affected pursuant to the Scheme.</p>
3.	Promoter Shareholders	<p>Like all the shareholders of the Company, the promoters of the Company shall be allotted shares of in accordance with the Share Entitlement Ratio set out in the Scheme.</p> <p>Please refer to point (1) above for details regarding effect on the shareholders.</p>





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SN	Particulars	Effect
4.	Non-Promoter Shareholders	Please refer to point (1) above for details regarding effect on the non-promoter shareholders.
5.	Employees	<p>Employees of the Demerged Company, in relation to Demerged Undertaking, as on the Effective Date shall be deemed to have become 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.</p> <p>Apart from above, the other employees of the Company shall continue to remain employed with the Company after the coming into effect of the Scheme.</p>
6.	Secured Creditors	<p>The liability towards Secured Creditors pertaining to the Demerged Undertaking shall be transferred to the Resulting Company pursuant to the Scheme, along with the assets on which a charge is created in favor of the Secured Creditors. The assets of the Resulting Company, after coming into effect of this Scheme, shall be sufficient to discharge its liabilities.</p> <p>The Resulting Company shall discharge the Secured Creditors in normal course of business, and no compromise / arrangement is made with the Secured Creditors under the Scheme.</p> <p>Apart from above, the other Secured Creditors of the Company, if any, will not be affected by the Scheme, since the assets of the Company will be sufficient to discharge its liabilities, and no compromise / arrangement is made with the other Secured Creditors under the Scheme.</p>
7.	Unsecured Creditors	<p>The liability towards Unsecured Creditors pertaining to the Demerged Undertaking shall be transferred to the Resulting Company pursuant to the Scheme. The assets of the Resulting Company, after coming into effect of this Scheme, shall be sufficient to discharge its liabilities. The Resulting Company shall discharge the Unsecured Creditors in normal course of business, and no compromise / arrangement is made with the Secured Creditors under the Scheme.</p>





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SN	Particulars	Effect
		Apart from above, the other Unsecured Creditors of the Company, if any, will not be affected by the Scheme, since the assets of the Company will be sufficient to discharge its liabilities, and no compromise / arrangement is made with the other Unsecured Creditors under the Scheme.
8.	Depositors/ Debenture holders/ Deposit Trustee / Debenture Trustee	Not applicable, as the Company has neither issued any debentures nor accepted deposit from any person.

4. Adoption of the report by board of directors of the Company:

The Board of Directors of the Company has adopted this report after noting and considering the information set forth in this report.

FOR EMKAY TAPS AND CUTTING TOOLS LIMITED

Ajayprakash Kanoria
CHAIRMAN, MANAGING DIRECTOR & CEO
DIN: 00041279



Place: Nagpur

Date: 01/07/2023



EMKAY TOOLS

EMKAY TOOLS LTD.

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

CIN: U25939MH2023PLC401627

**REPORT OF BOARD OF DIRECTORS OF
EMKAY TOOLS LIMITED ("THE COMPANY")**

[Section 232(2)(C) of the Companies Act, 2013 read with Rule 6(3)(Vi) of the Companies (Compromises, Arrangements And Amalgamations) Rules, 2016]

To,
The Stakeholders of Emkay Tools Limited,

Your Board of Directors are pleased to present their report to be adopted under section 232(2)(C) of the Companies Act, 2013 read with Rule 6(3)(Vi) of the Companies (Compromises, Arrangements And Amalgamations) Rules, 2016. We have thoroughly examined the draft scheme presented to us and have taken into consideration various factors as applicable as per the SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

We hereby submit our report and recommendations regarding the scheme, ensuring the protection of shareholders' interests as under: -

1. Background:

- 1.1** The proposed scheme of arrangement ('Scheme') under the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 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 provides for the demerger of the Demerged Undertaking (defined in clause 1.9 of the Scheme) 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 in the Scheme) of the Resulting Company to the shareholders of Emkay Taps And Cutting Tools Limited.
- 1.2** The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Directors / Key Managerial Personnel, Promoter / Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders / creditors.
- 1.3** The Scheme was approved by the Board of Directors of the Company ('Board') vide resolution passed in its meeting held on 29th June 2023, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme,





EMKAY TOOLS

EMKAY TOOLS LTD.

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

CIN: U25939MH2023PLC401627

consideration involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.

2. Rationale for the Scheme:

- 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 (defined in clause 1.13 of the Scheme) has different characteristics, risk, and rewards than the remaining business of the Demerged Company (defined in clause 1.99 of the Scheme). Consequently, growth and expansion of the Manufacturing Business (defined in clause 1.1313 of the Scheme) 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.
- 2.3** The Scheme will achieve the following benefits:
- 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.





EMKAY TOOLS

EMKAY TOOLS LTD.

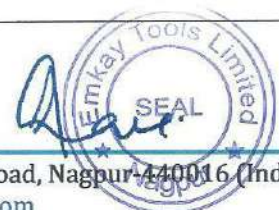
(A Wholly-owned subsidiary of Emkay Taps And Cutting Tools Limited)

CIN: U25939MH2023PLC401627

- 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.
- 2.4** 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.

3. Effect of the Scheme on the stakeholders of the Company:

SN	Particulars	Effect
1.	Shareholders	The Company is a wholly owned subsidiary of the Demerged Company. 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 pursuant to the Scheme.
2.	Directors and Key Managerial Personnel (KMP)	The Directors and KMPs of the Company shall continue as Director and KMPs of the Company after effectiveness of the Scheme.
3.	Promoter Shareholders	The Company is a wholly owned subsidiary of the Demerged Company. Please refer to point (1) above for details regarding effect on the shareholders.
4.	Non-Promoter Shareholders	The Company is a wholly owned subsidiary of the Demerged Company. Please refer to point (1) above for details regarding effect on the shareholders.
5.	Employees	The employees of the Company shall continue to remain employed with the Company after the coming into effect of the Scheme.
6.	Secured Creditors	Not Applicable, since there are no secured creditors in the Company





EMKAY TOOLS

EMKAY TOOLS LTD.

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

CIN: U25939MH2023PLC401627

SN	Particulars	Effect
7.	Unsecured Creditors	The Unsecured Creditors of the Company, if any, will not be affected by the Scheme, since the assets of the Company will be sufficient to discharge its liabilities, and no compromise / arrangement is made with the s Unsecured Creditors under the Scheme.
8	Depositors / Debenture holders / Deposit Trustee/ Debenture Trustee	Not applicable, as the Company has neither issued any debentures nor accepted deposit from any person.

4. Adoption of the report by board of directors of the Company:

The board of directors of the Company has adopted this report after noting and considering the information set forth in this report.

FOR EMKAY TOOLS LIMITED


Ajayprakash Kanoria
MANAGING DIRECTOR
DIN: 00041279
Place: Nagpur
Date: 01/07/2023



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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e-mail: harsh.ruparelia@yahoo.com



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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

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)

To,

Emkay Taps and Cutting Tools Limited

Emkay Tools Limited

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

MIDC Hingna, Industrial Estate,

Nagpur – 440 016.

Sub: Clarification on the Share Entitlement Ratio and Addendum to the Share Entitlement Ratio Report for the Proposed Demerger of Demerged Undertaking (as defined in the Scheme) of Emkay Taps and Cutting Tools Limited ("ETCTL" or "the Demerged Company") into Emkay Tools Limited ("ETL" or "the Resulting Company") pursuant to the Scheme of Arrangement ('Scheme')

Dear Sirs,

I refer to my Report dated 28th June 2023 on recommendation of the Share Entitlement Ratio in relation to the Scheme and requirement letter received from NSE dated 17th July 2023 by Emkay Taps and Cutting Tools Limited requesting for clarification regarding detailed rationale for recommendation of the following Share Entitlement Ratio:

"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)"

In view of your requirement for clarification on rationale for the recommendation of the Share Entitlement Ratio for the Proposed Demerger of the Demerged Undertaking (as defined in the Scheme) ("the Demerged Undertaking") of Emkay Taps and Cutting Tools Limited ("the Demerged Company") into its wholly owned subsidiary company viz. Emkay Tools Limited (hereinafter referred to as "the Resulting Company") pursuant

Page 1 of 4

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235

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

to the Scheme. Please find below the details in the prescribed format along with reason(s) for the recommendation thereof:

Valuation Approach	Emkay Taps and Cutting Tools Limited / (Demerged Undertaking of Emkay Taps and Cutting Tools Limited)		Emkay Tools Limited	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative Value Per Share	NA – Refer Note Below			
Share Entitlement Ratio (rounded-off)	Refer Note Below			

NA : Not Adopted / Not Applicable

Note - Relative Value per Share

I refer to the Share Entitlement Ratio Report, which provides for Basis for recommendation and further, in my opinion, relative valuation of the Demerged Undertaking of the Demerged Company and the Resulting Company with respect to the Proposed Scheme is not required to be carried out in view of the detailed reasons cited hereinbelow.

Accordingly, Valuation Approaches as indicated in the format (as shown below) as prescribed by 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 have not been undertaken as they are not relevant with respect to the Proposed Scheme.

I believe that the Share Entitlement Ratio mentioned in my report dated 28th June 2023 is fair and reasonable and the factors considered for the exercise are summarised hereinbelow:

- (a) The Resulting Company is incorporated as a wholly owned subsidiary of the Demerged Company.
- (b) As per the Proposed Scheme of Arrangement, in the consideration for transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company (a wholly owned subsidiary of the Demerged



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

Company)), the Resulting Company shall issue and allot equity shares to the existing equity shareholders of the Demerged Company on the record date (as may be fixed by the Board of Directors of Directors of the Demerged Company) based on the ratio of allotment of shares (“the Share entitlement Ratio”).

- (c) Since, the shareholding shall be identical in both the Companies in the Pre-Scheme and Post-Scheme Scenario, the Share Entitlement Ratio of 1:1 ensures that all the shareholders of the Demerged Company get equal shareholding in both the Companies in terms of no. of shares and their percentage shareholding in the Demerged Company and the Resulting Company. It is presumed that there shall not be any economic loss to the shareholders of the Demerged Company, as a result of the Scheme, which is depicted hereinbelow:

$$\begin{array}{l} \text{Pre} \\ \text{shareholders} \\ \text{the} \\ \text{Company} \end{array} \begin{array}{l} \text{demerger} \\ \text{value in} \\ \text{Demerged} \\ \text{Company} \end{array} = \begin{array}{l} \text{Post} \\ \text{shareholders} \\ \text{the} \\ \text{Company} \end{array} \begin{array}{l} \text{demerger} \\ \text{value in} \\ \text{Demerged} \\ \text{Company} \end{array} + \begin{array}{l} \text{Post} \\ \text{shareholders} \\ \text{in the} \\ \text{Company} \end{array} \begin{array}{l} \text{demerger} \\ \text{value} \\ \text{Resulting} \\ \text{Company} \end{array}$$

- (d) As all the shareholders of the Demerged Company shall also become shareholders of the Resulting Company and their shareholding in the Resulting Company would mirror their percentage shareholding in the Demerged Company and therefore upon the Scheme becoming effective, the business of the Demerged Company and the Resulting Company would continue to be owned by the same shareholders of the Demerged Company in the same proportion as their shareholdings in the Demerged Company in the manner provided under the Scheme. Thereby the interest of the shareholders in the Demerged Company will effectively remain unchanged and shareholders interest would not be prejudicially affected.
- (e) I further understand that as an effect of Demerger, each shareholder of the Demerged Company shall become the owner of shares in two companies instead of one. Post Demerger, the percentage shareholding and no. of shares of a shareholder in the Resulting Company shall remain unchanged from the proportion of capital held by such (existing) shareholder in the Demerged Company. Thus, I understand that the interest of the shareholders in the Demerged Company will effectively remain unchanged and therefore, from that perspective shareholders interest would not be prejudicially affected. The Scheme does not envisage dilution of the holding of any one or more shareholders as a result of the Scheme.
- (f) Pursuant to the Scheme, the equity shares issued by the Resulting Company, in the manner as described herein above and in accordance with the share



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

entitlement ratio, shall be listed on National Stock Exchange of India Ltd. NSE EMERGE SME platform (pursuant to the scheme the Resulting Company shall apply for listing to the Stock Exchange) and same shall unlock the true value of the Demerged Undertaking for the shareholders of the Demerged Company.

(g) Upon the issue of shares by the Resulting Company, the entire existing share capital held by the Demerged Company in the Resulting Company as on the Effective Date shall stand cancelled without any payment. Accordingly, the share capital of the Resulting Company shall stand reduced by the face value of shares held by the Demerged Company prior to the issue of shares by the Resulting Company.

(h) *Accordingly, no relative valuation of Demerged Undertaking and of the Resulting Company is required to be undertaken for the Scheme. Therefore, valuation approaches, as prescribed by 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, have not been undertaken as they are not relevant in the instant case.*

The detailed rationale cited hereinabove may be considered relevant for our Basis of Recommendation of the Share Entitlement Ratio Report. This letter is in furtherance to our report dated 28th June 2023 and shall be read in conjunction with the report. All parts of the report including terms and scope limitations thereof shall be applicable to this letter. Any inadvertent or typographical errors in the letter or Share Entitlement Ratio report may be ignored by the reader of this letter and the Report. Further, the same may not have any impact on our recommendation of the Share Entitlement Ratio.

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: 24th July 2023

Place: Mumbai



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



Strictly Private & Confidential

To,

The Board of Directors

Emkay Taps and Cutting Tools Limited

Plot No. B-27 and B-27/1,
MIDC Hingna, Industrial Estate,
Nagpur -400016, Maharashtra, India

Dear Members of the Board:

Rationale on the Share Entitlement Ratio for the Proposed Demerger of Demerged Undertaking (as defined in the Scheme) of Emkay Taps and Cutting Tools Limited (“ETCTL” or “the Demerged Company”) into Emkay Tools Limited (“ETL” or “the Resulting Company”) pursuant to the Scheme of Arrangement (“Scheme”)

We refer to our Fairness Opinion dated June 29, 2023 where we have opined on the fairness of the Share Entitlement Ratio recommended by the Registered valuer in relation to the Scheme and letter from NSE dated July 17, 2023 received by Emkay Taps and Cutting Tools Limited requesting for rationale on the Share Entitlement Ratio provided by the Registered Valuer:

“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)”

This is with reference to your request for providing rationale on the Share Entitlement Ratio recommended by the Registered Valuer for the Proposed Demerger of the Demerged Undertaking (as defined in the Scheme) (“the Demerged Undertaking”) of Emkay Taps and Cutting Tools Limited (“the Demerged Company”) into its wholly owned subsidiary company viz. Emkay Tools Limited (hereinafter referred to as “the Resulting Company”) pursuant to the Scheme.

The Registered Valuer has considered various valuation approaches such as asset approach, income approach and market approach as prescribed by 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 before arriving at the Share Entitlement Ratio. On Consideration, the Registered Valuer concluded that these methods as not applicable for the purpose of arriving at the Share Entitlement Ratio in proposed Demerger for the following reason

- (a) The Resulting Company is incorporated as a wholly owned subsidiary of the Demerged Company.
- (b) As per the Proposed Scheme of Arrangement, in consideration for transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company (a wholly owned subsidiary of the Demerged Company), the Resulting Company shall issue and allot equity shares to **all** the existing equity shareholders of the Demerged Company **on the record date (as may be fixed by the Board of Directors of Directors of the Demerged Company) based on the ratio of allotment of shares (“the Share entitlement Ratio”).**
- (c) Upon the issue of shares by the Resulting Company, the entire existing capital of the Resulting Company held by the Demerged Company as on the Effective Date **shall stand cancelled without any payment** prior to the issue of shares by the Resulting Company. Accordingly, the shareholders of the Resulting Company will be only the shareholders of Demerged Company and no other shareholders, immediately upon the Demerger.
- (d) Accordingly, all the existing shareholders of the Demerged Company would become shareholders of the Resulting Company, and their shareholding in the Resulting Company **would mirror their percentage shareholding in the Demerged Company** and therefore upon the Scheme becoming effective, the business of the Demerged Company and the Resulting Company would continue to be owned by the existing shareholders of the Demerged Company in the same proportion as their shareholdings in the Demerged Company in the manner provided under the Scheme. Thereby the interest of the existing shareholders in the Demerged Company will effectively remain unchanged and shareholders interest would not be prejudicially



affected.

- (e) We further understand that as an effect of Demerger, each shareholder of the Demerged Company shall become the owner of shares in two companies instead of one. Post Demerger, the percentage shareholding and no. of shares of a shareholder in the Resulting Company shall remain unchanged from the proportion of capital held by such (existing) shareholder in the Demerged Company.
- (f) Pursuant to the Scheme, the equity shares issued by the Resulting Company, in the manner as described herein above and in accordance with the share entitlement ratio, shall be listed on National Stock Exchange of India Ltd. NSE EMERGE SME platform (pursuant to the scheme the Resulting Company shall apply for listing to the Stock Exchange) and same shall unlock the true value of the Demerged Undertaking for the shareholders of the Demerged Company.
Since, the shareholding shall be identical in both the Companies in the Pre-Scheme and Post-Scheme Scenario, the Share Entitlement Ratio of 1:1 ensures that all the existing shareholders of the Demerged Company get equal shareholding in both the Companies in terms of no. of shares and their percentage shareholding in the Demerged Company and the Resulting Company. Since, the Share Entitlement Ratio is 1:1 there are no shareholders who would be subject fractional entitlement.
- (g) Accordingly, no relative valuation of Demerged Undertaking and of the Resulting Company is required to be undertaken for the Scheme. Therefore, valuation approaches, as prescribed by 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, have not been undertaken as they are not relevant in the instant case.

Conclusion

Accordingly, considering the above rationale as considered by the Registered Valuer for arriving at the Share Entitlement Ratio, we are of the opinion on the date hereof that the Share Entitlement Ratio as recommended by the Registered Valuer, is fair and reasonable to the existing Equity Shareholders of the Demerged Company, from a financial point of view.

The rationale cited hereinabove may be considered relevant to arrive at our conclusion on fairness on the Share Entitlement Ratio Report. This letter is in furtherance to our fairness opinion dated June 29, 2023 and shall be read in conjunction with our fairness opinion. All parts of the fairness opinion including terms and scope limitations thereof shall be applicable to this letter. Any inadvertent or typographical errors in the letter or the fairness opinion may be ignored by the reader of this letter and the fairness opinion. Further, the same may not have any impact on our conclusion of fairness on the Share Entitlement Ratio.

Yours truly,

For **Fedex Securities Private Limited**
SEBI Reg. No. INM 000010163



Uday Nair
Director
DIN: 03431884

Date: July 24, 2023
Place: Mumbai



Date: March 23, 2024

To,

Board of Directors,

Emkay Tools Limited,

Plot No B-27 And B-27/1,

MIDC Hingna, Industrial Estate Nagpur- 440016,

Maharashtra, India.

Subject: - Certificate on adequacy and accuracy of Disclosure in the format of “Abridged Prospectus” (“Disclosure Document”) pursuant to Sebi Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 4, 2022 read with Master Circular bearing number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (“SEBI Circulars”) issued by the Securities and Exchange Board of India (SEBI) dated November 23, 2021 with respect to the Scheme of Arrangement proposed to be entered 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 and other applicable provision of the Companies act, 2013 (“Act”) and rules framed thereunder (hereinafter referred to as “Scheme”).

Dear Sir/Madam,

We, Fedex Securities Private Limited (*“We” or “Fedex”*), SEBI Registered Category – I, Merchant Banker have been appointed by Resulting company for the purpose of preparing and certifying the adequacy and accuracy of the disclosures made in the Abridged Prospectus / Disclosure Document of Resulting company in compliance Annexure I, Paragraph 3(a) of SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 4, 2022 read with Master Circular bearing number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and SEBI/HO/CFD/DIL1/CIR/P/2021/ 0000000665 dated November 23, 2021 (*“SEBI Circulars”*)_ issued by Securities and Exchange Board of India (SEBI) in relation to the captioned Scheme, state and confirm as follows:

We have relied on the information, undertakings, certifications, documents and explanations provided to us by Resulting company, its Directors and its Promoter while finalizing the Abridged Prospectus (Disclosure Document) of the subject captioned;

On the basis of the above, we hereby confirm that:

The information contained in the Disclosure Document is prepared in the format prescribed for Abridged Prospectus provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018, as amended, which will be circulated to the Members of Demerged Company at the time of seeking their consent in the explanatory statement in the Notice in accordance with the SEBI circular is accurate and adequate.



Report Limitations:

1. This Certificate is a specific purpose certificate issued in terms of and compliance with SEBI Circulars and hence it should not be used for any other purpose or transaction.
2. We express no opinion and accordingly accepts no responsibility for or as to the price at which the equity shares of the Company will trade following the Scheme.
3. This Certificate contains the certification on adequacy and accuracy of disclosure of information in the Abridged Prospectus (Disclosure Document) pertaining to the Resulting Company, and is not an opinion on the proposed Scheme or its success. Further, this certificate does not guarantee the implication/approval of the proposed Scheme.
4. To the extent of our scope of work, we have relied on the information furnished and explanations provided to us and have not carried out our independent audit of the financial and legal information. Hence, we are unable to express our opinion on the fairness of the financial and legal information.
5. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.

For Fedex Securities Private Limited





Saipan Sanghvi
AVP
Place: Mumbai

THIS IS AN ABRIDGED PROSPECTUS PERTAINING TO EMKAY TOOLS LIMITED WHICH IS BEING ISSUED IN COMPLIANCE WITH THE PROVISIONS OF SEBI MASTER CIRCULAR BEARING NUMBER SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023 READ WITH CIRCULAR NO. SEBI/HO/CFD/SSEP/CIR/P/2022/14 DATED FEBRUARY 4, 2022 AND SEBI/HO/CFD/ DIL1/CIR/P/2021/0000000665 DATED NOVEMBER 23, 2021 (“SEBI CIRCULARS”) ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI).

THIS HAS BEEN ISSUED IN RELATION TO THE SCHEME OF ARRANGEMENT BETWEEN EMKAY TAPS AND CUTTING TOOLS LIMITED (“**ETACL**” or “**DEMERGED COMPANY**”) AND EMKAY TOOLS LIMITED (“**ETL**” or “**RESULTING COMPANY**” or “**THE COMPANY**” or “**OUR COMPANY**”) AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 (“**ACT**”) AND RULES FRAMED THEREUNDER (HEREINAFTER REFERRED TO AS “**SCHEME**”).

THIS DISCLOSURE DOCUMENT CONTAINS 7 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

This Disclosure Document has been prepared in the format specified for the Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable.

Nothing in this Disclosure Document constitutes an offer or an invitation by or on behalf of Emkay Taps and Cutting Tools Limited and Emkay Tools Limited to subscribe for or purchase any of the securities.

Capitalised terms not defined herein shall have the same meaning as defined in the Notice.

EMKAY TOOLS LIMITED

Corporate Identity Number (CIN): U25939MH2023PLC401627

Registered Office: Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur- 440016, Maharashtra, India,
Tel: +91 9272090765

Contact Person: Ajayprakash Kanoria

E-mail: investors@emkaytoolsltd.com **Website:** www.emkaytoolsltd.com

PROMOTER OF THE COMPANY

Emkay Taps and Cutting Tools Limited

SCHEME DETAILS AND PROCEDURE

The proposed Scheme of Arrangement is presented under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules made & Regulations made thereunder, in the manner provided for in the Scheme thereof.

The Scheme inter-alia provides for the following: -

- (a) Demerger of the "Demerged Undertaking" (*as defined in the Scheme*) of Emkay Taps and Cutting Tools Limited (“**ETACTL**” or “**Demerged Company**”) and vesting of the same into Emkay Tools Limited (“**ETL**” or “**Resulting Company**” or “**The Company**” or “**Our Company**”) on a going concern basis and the consequential issue of equity shares by the Resulting Company to all the shareholders of the Demerged Company pursuant to sections 230-232 read with section 66 and other relevant provisions of the Act in the manner provided for in the Scheme and in compliance with Section 2(19AA) read with Section 2(41A) and other relevant provisions of the IT Act (“**Demerger**”).
- (b) Reduction and cancellation of the existing paid-up share capital of the Resulting Company; and
- (c) Listing of the equity shares of the Resulting Company on the Stock Exchanges (*as defined hereinafter*) along with various other matters consequential or otherwise integrally connected therewith.

The proposed Scheme was approved by the Board of Directors of the Demerged Company and Resulting Company on June 29, 2023.

Upon the Scheme becoming effective, with effect from the Appointed Date, the Demerged Undertaking of the Demerged Company shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 (IT Act) and Sections 230 to 232 read with section 66 of the Act and all other Applicable Laws, without any further act or Instrument, deed, matter or thing 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.

Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the

shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators legal representatives or the successors in title, as the case may be as may be recognized by the Board of Directors of the Resulting Company in the following proportion.

" 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".

Upon the Scheme becoming effective and upon the 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.

Details about the basis for the Share Entitlement Ratio, the report on recommendation on the share entitlement ratio and fairness opinion are available on the websites of the Emkay Taps and Cutting Tools Limited i.e. <https://emkaytools.com/> and EMERGE platform of The National Stock Exchange of India Limited i.e., www.nseindia.com ("NSE EMERGE" or "Stock Exchange").

The equity shares issued and allotted by the Resulting Company pursuant to the Scheme, will be listed and/ or admitted to trading on the Stock Exchange, subject to entering into such arrangements and giving 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 Stock Exchange.

PROCEDURE:

Pursuant to the provisions of the Scheme, post receipt of approval of the National Company Law Tribunal ("NCLT") and upon certified copies of the sanction order(s) of the NCLT approving the Scheme being filed with the Registrar of Companies, the Resulting Company shall issue and allot equity shares to Shareholders of the Demerged Company, as on the Record Date, as per the Share Entitlement Ratio set out in the Scheme. The equity shares so allotted is to be listed subject to obtaining requisite approvals on the Stock Exchanges pursuant to an exemption application under rule 19(7) of the Securities Contracts (Regulation) Rules, 1957 ("SCRR") for relaxation of strict application of rule 19(2)(b) of the SCRR, with the Stock Exchange.

Further, the procedure with respect to public issue/ offer would not be applicable as the Scheme does not involve issue of any equity shares to public at large, except to the shareholders of the Company. Hence, the procedure with respect to General Information Document (GID) is not applicable and this Disclosure Document must be read accordingly.

ELIGIBILITY FOR THE ISSUE

This Disclosure Document is prepared in compliance with SEBI Circulars and in accordance with the Abridged Prospectus as provided in Part E of Schedule VI of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;

The Equity Shares sought to be listed are proposed to be allotted by the Resulting Company to the Shareholders of the Demerged Company pursuant to the Scheme to be sanctioned by NCLT under Sections 230-232 of the Companies Act, 2013 read with Section 66 (to the extent applicable) and other applicable provisions of the Companies Act, 2013, the SEBI Circulars and subject to and in accordance with the terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, the regulations 26(1) or 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable.

INDICATIVE TIMETABLE

This Disclosure Document is filed pursuant to the Scheme and is not an offer to public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the National Company Law Tribunal, the time frame cannot be established with certainty.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors mentioned in this Disclosure Document carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of the Resulting Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Scheme or the Document. Specific attention of the investors is invited to the section titled "**Scheme Details and Procedure**" beginning of page 1 and section titled "**Internal Risk Factors**" beginning on page 6 of this Disclosure Document.

REGISTERED MERCHANT BANKER

Price Information of Book Running Lead Manager – Not Applicable

The details of the Registered Merchant Banker appointed under the SEBI Circulars is as follows:

Name of Registered Merchant Banker and contact details (telephone and email id)	<p>FEDEX SECURITIES PRIVATE LIMITED</p> <p>Address: B7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai 400057, Maharashtra, India.</p> <p>Tel No: +91 81049 85249; Fax No: 022 2618 6966;</p> <p>Email: mb@fedsec.in;</p> <p>Website: www.fedsec.in; Contact Person: Saipan Sanghvi</p>
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STATUTORY AUDITOR AND OTHER DETAILS

Name of Statutory Auditor & contact details	<p>P S THAKARE & CO.</p> <p>Address: Indo Unique Plaza, Opp Bole Petrol Pump, VIP Road Civil Lines, Nagpur – 440001, Maharashtra, India.</p> <p>Tel No.: 07122520280</p> <p>Firm Reg. No.: 128572W</p> <p>Email Id: mail@psthakreandco.com</p> <p>Contact Person: Bhagwat Thakre</p> <p>Membership No: 127522</p> <p>Peer Review Certificate No.: 014378</p>
Name of Syndicate Members	Not Applicable
Name of the Registrar to the Issue and contact details (telephone and email ID)	<p>Bigshare Services Private Limited</p> <p>Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai- 400093, India.</p> <p>Tel No: +91 22-6263 8200;</p> <p>Email: investor@bigshareonline.com</p> <p>Website: www.bigshareonline.com</p> <p>Contact Person: Prasad Madiwale</p> <p>SEBI Registration No.: INR000001385</p>
Name of the Credit Rating Agency and the rating or grading obtained	Not Applicable
Name of Debenture Trustee	Not Applicable
Self-Certified Syndicate Banks	Not Applicable
Non-Syndicate Registered Brokers	Not Applicable

PROMOTER OF THE RESULTING COMPANY

Emkay Taps and Cutting Tools Limited, a listed public limited company incorporated on July 27, 1995 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing CIN L29220MH1995PLC091091. The Registered Office of the Demerged Company is situated at Plot No. B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur – 440016, Maharashtra, India.

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. The Equity Shares of the Demerged Company are listed and traded on Emerge Platform of NSE Limited.

BUSINESS OVERVIEW AND STRATEGY

Company Overview: Emkay Tools Limited bearing CIN: U25939MH2023PLC401627, is an unlisted public limited company (being a wholly-owned subsidiary of Emkay Taps and Cutting Tools Limited, the Demerged Company) having its registered office situated at Plot No B-27 and B-27/1, M.I.D.C Hingna, Industrial Estate, Nagpur – 440016, Maharashtra, India. The Company is incorporated to undertake manufacturing, import, export, buy, sell and to deal in all kinds of high

steel cutting and threading tools, taps, rings and mills, reamers, other machine tools and other engineering products, as specified in its Memorandum of Association. The Equity Shares of the Company are currently not listed on any Stock Exchange(s).

Product/Service Offering: Upon the Scheme becoming effective, the Resulting Company will engage in business of manufacturing, import, export, buy, sell and to deal in all kinds of high steel cutting and threading tools, taps, rings and mills, reamers, other machine tools and other engineering products.

Revenue segmentation by product/service offering: Not Applicable, the Resulting Company has not started commercial operations.

Geographies Served: Not Applicable

Revenue segmentation by geographies: Not Applicable

Key Performance Indicators: Not Applicable

Client Profile or Industries Served: Not Applicable

Revenue segmentation in terms of top 5/10 clients or Industries: Not Applicable

Intellectual Property, if any: Not Applicable

Market Share: Not Applicable

Manufacturing plant, if any: Not Applicable

Employee Strength: As on February 29, 2024, the Company has no Employees

BOARD OF DIRECTORS

Sr. No.	Name of Directors	Designation (Independent / Whole-time/ Executive/ Nominee)	Experience and Educational qualifications	Other Directorships
1.	Ajayprakash Kanoria	Managing Director	Ajayprakash Kanoria (DIN: 00041279) holds Bachelor's degree in Commerce from Nagpur University and has also cleared intermediate level of Chartered Accountant course from the Institute of Chartered Accountants of India. He has been a Director of the Demerged and the Resulting Company since inception. He has an experience of more than 40 years in the cutting tools industry.	Indian Companies: (a) Emkay Tools Limited (b) Nagpur Tools Private Limited (c) Adishree Engineering Private Limited (d) Emkay Taps And Cutting Tools Limited Foreign Companies: Nil
2.	Alka Kanoria	Director	Alka Kanoria (DIN: 00041346) holds a Bachelor's Degree in Science from Lucknow University and is the Whole-Time Director of the Resulting Company. She has an experience in field of marketing and manufacturing of machine tools & its related products.	Indian Companies: (a) Emkay Tools Limited (b) Emkay Taps And Cutting Tools Limited (c) Adishree Engineering Private Limited (d) Nagpur Tools Private Limited Foreign Companies: Nil
3.	Mahesh Ishwardas	Director	Mahesh Ishwardas Mor (DIN: 07151767) is Non Executive Independent Director of the Resulting Company and holds Bachelor's Degree of	Indian Companies: (a) Emkay Tools Limited

Mor	Commerce from Nagpur University. He has more than 25 years of business experience in managing a soft drink bottling plant, micro financing, consumer durables, vehicles investments	(b) Emkay Taps and cutting tools Limited Foreign Companies: Nil
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OBJECTS OF THE ISSUE/ RATIONALE OF THE SCHEME

The rationale for the Scheme is, *inter alia*, as follows:

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. The Manufacturing Business has different characteristics, risk, and rewards than the remaining business of the Demerged Company. Hence, it is proposed to segregate the same by way of demerger into the Resulting Company which will result in focused approach to exploit the growth potential of the Demerged Undertaking. The segregation of the Demerged Undertaking shall have the following benefits: -

- 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 EMERGE platform of NSE Limited 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.

Details of means of finance: Not Applicable

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issue, if any, of the Company in the preceding 10 years: Not Applicable

Terms of Issuance of convertible Security, if any: Not Applicable

Name of monitoring agency, if any: Since there is no issue of equity shares to the public at large except to the existing shareholders of Demerged Company, pursuant to the Scheme, the appointment of a monitoring agency is not required.

Pre-scheme Shareholding Pattern of the Resulting Company:

Equity Shares

Sr. No.	Particulars	Pre-Scheme number of Equity shares	Pre-Scheme % Holding
1.	Promoter & Promoter Group	99,940	99.94
2.	Public	Nil	Nil
3.	Non Promoter – Non Public	60	0.06
	Total	1,00,000	100.00

Number/ amount of equity shares proposed to be sold by selling shareholders, if any: **Not Applicable**

RESTATED AUDITED FINANCIALS

Standalone

(Rs. in Lakhs)

Particulars	For the nine months period ended as on December 31, 2023	March 31, 2023*	March 31, 2022*	March 31, 2021*	March 31, 2020*	March 31, 2019*
Total income from operations	Nil	N.A.	N.A.	N.A.	N.A.	N.A.

(net)							
Net Profit / (Loss) before tax and extraordinary items	Nil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net Profit / (Loss) after tax and extraordinary items	Nil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Equity Share Capital	1.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reserves and Surplus	Nil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net worth	1.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Basic & diluted earnings per share (Rs.)	Nil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Return on net worth (%)	Nil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net Asset Value Per Share (Rs)	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

*Emkay Tools Limited has been incorporated on April 25, 2023, hence the Audited Financial Statements for the financial year ended March 31, 2023, 2022, 2021, 2020 and 2019 are not available.

Consolidated: Not Applicable

INTERNAL RISK FACTORS

- The proposed Scheme is subject to the approval of the NCLT, Mumbai and Shareholders and Creditors of Emkay Taps and Cutting Tools Limited. If the proposed Scheme does not receive the requisite approvals, the objects and benefits mentioned in the Scheme will not be achieved.
- Emkay Tools Limited will be entering into a new business after the Demerger. Pursuant to the Scheme, as part of the Demerged Undertaking, requisite personnel operating the demerged business, will also be a part of the Resulting Company. The Resulting Company cannot assure that it will be able to successfully foray in or continue to be profitable in the business. The inability to effectively develop and operate its business may have an adverse impact on the Resulting Company's financial conditions and result of operations. Further, the business is subject to government policies
- There may be certain risks and uncertainty in the integration of business of Demerged Undertaking, which may impact the result of operations and profitability.
- An inability to manage the growth in scale of our operations could affect the business of the Resulting Company.
- Equity Shares to be issued pursuant to the Scheme shall be listed on Stock Exchange, which would be subject to approvals from the said Stock Exchange and other necessary compliance. In the event that these approvals are delayed, the listing of the equity shares may get impacted. Listing of the equity shares does not guarantee that a trading market for the equity shares will develop.
- The Resulting Company may have competition from existing players which may impact the growth of the Resulting Company.
- Changes in the regulatory environment in which the Resulting Company operates could have a material adverse effect on its business, financial conditions, results of operations and prospects. The regulatory and policy environment in which the Resulting Company operates is also evolving and subject to change which may adversely affect its business, results of operations and prospects, to the extent that the Resulting Company is unable to suitably respond to and comply with any such change in applicable law and policy.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations by and against the Company, Directors, Promoters, and Subsidiaries and amount involved

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against our Promoter	Material Civil Litigations	Aggregate amount involved (Rs. In Crores)

Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	1	Nil	Nil	Nil	1.30
Promoter						
By Promoter	3	Nil	Nil	Nil	Nil	0.25
Against Promoter	Nil	1	Nil	Nil	Nil	0.002*
Subsidiaries						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA

*to the extent quantifiable

B. Brief details of top 5 material outstanding litigations against the company and amount involved-

Sr No	Particulars	Litigation filed by	Current Status	Amount Involved (₹ in Lakhs)
NIL				

C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the Promoter in last 5 financial years including outstanding action, if any

Nil


D. Brief details of outstanding criminal proceedings against Promoter

Nil

DECLARATION BY THE RESULTING COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Disclosure Document is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Disclosure Document are true and correct.

For Emkay Tools Limited



Ajayprakash Kanoria
Managing Director
DIN: 00041279



- Nagpur : Indo Unique Plaza, Opp. Bole Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001. (Maharashtra) INDIA Tel. : 0712 - 2520280 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 / mail@psthakareandco.com

To,

The Board of Directors,
Emkay Taps and Cutting Tools Limited,
Plot No B-27 & B-27/1,
MIDC Hingna, Industrial Estate,
Nagpur – 440 016, Maharashtra,
India

Dear Sir / Madam

Independent Auditor's Certificate on the Statement of assets and liabilities, net-worth, and revenue for the period ended 30th September 2023

1. It has been explained to us that the Scheme inter-alia provides for transfer of Manufacturing business from Demerged Company into Resulting Company, 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, The Equity Shares of Emkay Taps and Cutting Tools Limited are listed on National Stock Exchange of India Limited ("NSE EMERGE") SME platform. The Appointed Date of Scheme is April 1, 2024.
2. The Board of Directors of Demerged Company at its meeting held on June 29, 2023 approved the Scheme, between the Demerged Company and the 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 and regulations framed thereunder.
3. The accompanying Statement of assets and liabilities, net-worth, and revenue as of 30th September 2023 (hereinafter referred together as the 'Statement') (**Annexure - I**) contains the details as required to comply with the observation letter received from National Stock Exchange Limited in relation to the aforesaid Scheme, which we have initialled for identification purposes only. The Appointed Date for the purpose of Demerger as per the Scheme is 1st April 2024.





- Nagpur : Indo Unique Plaza, Opp. Bole Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001. (Maharashtra) INDIA Tel. : 0712 - 2520280 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 / mail@psthakareandco.com

Management's Responsibility for the Statement

4. The preparation of the Statement is the Responsibility of the Management of Demerged Company including the identification of the assets and liabilities of relevant divisions, preparation of maintenance of all accounting and others relevant supporting records and documents. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation.

Practitioner's Responsibility

5. Pursuant to the requirements of the Scheme, it is our responsibility to provide a reasonable assurance whether the amounts in the Statement have been accurately extracted from the financial statements/books of accounts for the period ended 30th September 2023 and the computation of the net worth as arithmetically correct.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports of Certificate for Special Purpose issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of ethics issued by the institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits of Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.
8. Based on the examination, as above, we are of the opinion that the amounts in Statement have been accurately extracted from the financial statements/books of accounts for the period ended on 30th September 2023 and the computation of net worth is arithmetically accurate.





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e-mail : psthakare20@gmail.com / mail@psthakareandco.com

9. The certificate is addressed to and provide to the Board of directors of the Demerged Company solely for the purpose to enable comply with requirement of the Observation Letter and to submit the accompanying Statement to the Shareholders of the Demerged Company along with Notice of Meeting and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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



B.S. Thakare
Partner
Membership Number: 127522



Place: Nagpur
Date: 21/03/2024
UDIN: 24127522BKDGYU1209

EMKAY TAPS AND CUTTING TOOLS LTD.
Statement of Assets, Liabilities, Net-worth, and Revenue pre and post demerger

(Note:- The amounts mentioned below are as on September 30, 2023, and are provided only for illustrative purposes. These amounts may change as on the Appointed Date of the Scheme i.e. April 1, 2024.

Figures are in (Rs.) and as on 30.09.2023

SN	Particulars	Pre-Demerger Assets and Liabilities	Assets and Liabilities of Demerged Undertaking to be transferred pursuant to the Scheme	Post-Demerger Assets and Liabilities
A	DETAILS OF ASSETS AND LIABILITIES			
	EQUITY AND LIABILITIES :-			
(1)	Shareholder's Funds			
(a)	Share Capital	10,67,13,000	-	10,67,13,000
(b)	Reserves And Surplus			
	i) Share Premium Account	4,20,40,780	-	4,20,40,780
	ii) Sicom Capital Incentive Reserve	29,75,000	29,75,000	-
	iii) D.C.V.L. Subsidy	9,70,900	9,70,900	-
	iv) Industrial Promotion Subsidy	2,27,95,030	2,27,95,030	-
	v) Profit & Loss Account	2,39,23,70,109	45,10,26,564	1,94,13,43,545
	Total (b):-	2,46,11,51,819	47,77,67,494	1,98,33,84,325
(2)	Share Application Money Pending Allotment	-	-	-
(3)	Non-Current Liabilities:-			
(a)	Long-Term Borrowings			
	i) ICICI Bank Term Loan	-	-	-
(b)	Deferred Tax Liabilities (Net)	1,01,58,475	49,64,845	51,93,630
(4)	Current Liabilities:-			
(a)	Short-Term Borrowings			
	i) ICICI Bank Ltd :	-	-	-
	Cash Credit Account No. : 624251000017			
	ii) ICICI Bank Ltd :	37,50,000	37,50,000	-
	Current Maturity of Long Term Loan due within 12 months	-	-	-
	iii) ICICI Bank Ltd :	3,99,87,037	-	3,99,87,037
	FD Overdraft Account No. : 624205019910			
	Total (a):-	4,37,37,037	37,50,000	3,99,87,037
(b)	Trade Payables			
	Due to :			
	Micro and Small Enterprises	17,29,015	17,29,015	-
	Other Payables	2,65,29,188	2,52,52,168	12,77,020
	Related Party	3,92,132	3,92,132	-
	Total (b):-	2,86,50,335	2,73,73,315	12,77,020
(c)	Other Current Liabilities			
	i) Deposits & Advances Received	8,53,060	8,53,060	-
	ii) Liability For Expenses	4,38,88,455	3,41,23,418	97,65,037
	iii) Statutory Liabilities	1,62,31,294	1,60,02,556	2,28,738
	iv) Other Credit Balances	11,84,046	2,56,456	9,27,590
	Total (c):-	6,21,56,855	5,12,35,490	1,09,21,365
(d)	Short-Term Provisions			
	i) For Employee Benefits	57,16,226	57,16,226	-
	ii) For Others	9,02,69,510	6,02,29,585	3,00,39,925
	Total (d):-	9,59,85,736	6,59,45,811	3,00,39,925
	Total Equity & Liabilities:-	2,80,85,53,257	63,10,36,955	2,17,75,16,302
	ASSETS :-			
(1)(a)	Non-Current Assets:-			
	Fixed assets			
	(i) Property, Plant and Equipment :-			
	Land No. 1	13,50,000	13,50,000	-
	Land No. 2	7,66,710	7,66,710	-
	Building No. 1	1,66,87,443	1,66,87,443	-
	Building No. 2	7,85,686	7,85,686	-
	Furniture & Fixture	15,85,975	15,85,975	-
	Mobile Phone	80,774	80,774	-
	Office Equipments	4,58,738	4,58,738	-
	Plant & Machinery	8,86,19,700	8,86,19,700	-
	Generator	44,858	44,858	-
	Compressors	13,05,889	13,05,889	-
	Transformers	3,59,386	3,59,386	-
	Transport Trolleys	13,611	13,611	-
	Coolant Tower (L-6)	3,32,312	3,32,312	-
	Coolant Tower (B-27)	6,23,482	6,23,482	-
	Air Conditioners	6,45,418	6,45,418	-
	Elevator (Lift)	3,11,150	3,11,150	-
	Computers	10,75,198	10,75,198	-
	Computer Software	30,012	30,012	-
	Inspection Equipments	15,97,846	15,97,846	-
	Electricals Installations	6,10,519	6,10,519	-
	Fax Machine	5,402	5,402	-
	Pollution Control Equipment	2,13,501	2,13,501	-
	Motor Car	38,53,856	38,53,856	-
	Loader E-Cart (Electric Rickshaw)	24,306	24,306	-
	Motor Cycle	87,173	87,173	-
	Fire Safety Equipment	6,17,705	6,17,705	-
	Solar Plant	58,51,355	58,51,355	-
	Wind Mill [Mysore]	74,36,232	-	74,36,232
	Wind Mill 2 [Rajasthan]	1,31,99,630	-	1,31,99,630
	Lease Hold Land	15,00,000	-	15,00,000
	Lease Hold Land 2 [Rajasthan]	32,00,000	-	32,00,000
	Total (a):-	15,32,73,867	12,79,38,005	2,53,35,862



SN	Particulars	Pre-Demerger Assets and Liabilities	Assets and Liabilities of Demerged Undertaking to be transferred pursuant to the Scheme	Post-Demerger Assets and Liabilities
(b)	Non-Current Investments			
	i) In Mutual Funds	27,19,04,491	-	27,19,04,491
	ii) In Quoted Equity Shares	1,08,16,27,977	-	1,08,16,27,977
	iii) In Unquoted Equity Shares	1,65,94,205	-	1,65,94,205
	iv) In Portfolio Management Service (PMS)	52,61,83,161	-	52,61,83,161
	v) In Fixed Deposit Receipts	20,48,64,067	4,19,367	20,44,44,700
	Total (b):-	2,10,11,73,901	4,19,367	2,10,07,54,534
(c)	Deferred tax assets (net)	-	-	-
(d)	Long term loans and advances			
	i) Capital Advances	22,000	22,000	-
	ii) Security Deposits	31,71,911	31,43,911	28,000
	Total (d):-	31,93,911	31,65,911	28,000
(e)	Other non-current assets	-	-	-
(2)	Current Assets:-			
(a)	Current Investments	-	-	-
(b)	Inventories	17,46,91,531	17,46,91,531	-
(c)	Trade Receivables	23,16,85,934	22,81,10,779	35,75,155
(d)	Cash And Cash Equivalents			
	i) Cash in Hand	3,67,868	3,61,832	6,036
	ii) Balances with Bank	2,87,57,733	2,22,82,147	64,75,586
	Total (d):-	2,91,25,601	2,26,43,979	64,81,622
(e)	Short-Term Loans And Advances			
	i) Advances with the Suppliers	7,24,874	5,52,554	1,72,320
	ii) Loans & Advances to Staff	4,98,710	4,98,710	-
	iii) Other Advances	40,70,096	39,55,650	1,14,446
	Total (e):-	52,93,680	50,06,914	2,86,766
(f)	Other Current Assets			
	Advances with Revenue Authorities	7,32,45,413	6,85,18,219	47,27,194
	Other Debit Balances	3,68,69,419	5,42,250	3,63,27,169
	Total (f):-	11,01,14,832	6,90,60,469	4,10,54,363
	Total Assets:-	2,80,85,53,257	63,10,36,955	2,17,75,16,302
Note:- There is no Contingent Liability in the company as on 30/09/2023.				
B	DETAILS OF NET-WORTH			
A	Net Worth of the Company	2,56,78,64,819	47,77,67,494	2,09,00,97,325
		2,56,78,64,819	47,77,67,494	2,09,00,97,325
C	DETAILS OF REVENUE			
	Revenue for period ended September 30, 2023	65,45,06,708	48,10,58,034	17,34,48,674
	Revenue for year ended March 31, 2023	1,05,03,22,831	87,33,61,161	17,69,61,670

Place : Nagpur
Dated : 21/03/2024
UDIN : 24127522BKDGYU1209

For M/s P. S. Thakare & Co.
Chartered Accountant
FRN 128572W



B. S. Thakare
B. S. Thakare
Partner
Membership No. 127522



- Nagpur : Indo Unique Plaza, Opp. Bole Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001. (Maharashtra) INDIA Tel. : 0712 - 2520280 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 / mail@psthakareandco.com

To,

The Board of Directors,
Emkay Tools Limited,
Plot No B-27 & B-27/1,
MIDC Hingna, Industrial Estate,
Nagpur – 440 016, Maharashtra,
India

Dear Sir / Madam

Independent Auditor's Certificate on the Statement of assets and liabilities, net-worth, and revenue for the period ended 30th September 2023

1. It has been explained to us that the Scheme inter-alia provides for transfer of Manufacturing business from Demerged Company into Resulting Company, 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.
2. The Board of Directors of Demerged Company at its meeting held on June 29, 2023 approved the Scheme, between the Demerged Company and the 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 and regulations framed thereunder.
3. The accompanying Statement of assets and liabilities, net-worth, and revenue as of 30th September 2023 (hereinafter referred together as the 'Statement') (Annexure - I) contains the details as required to comply with the observation letter received from National Stock Exchange Limited in relation to the aforesaid Scheme, which we have initialled for identification purposes only. The Appointed Date for the purpose of Demerger as per the Scheme is 1st April 2024.





- Nagpur : Indo Unique Plaza, Opp. Bole Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001. (Maharashtra) INDIA Tel. : 0712 - 2520280 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 / mail@psthakareandco.com

Management's Responsibility for the Statement

4. The preparation of the Statement is the Responsibility of the Management of Demerged Company including the identification of the assets and liabilities of relevant divisions, preparation of maintenance of all accounting and others relevant supporting records and documents. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation.

Practitioner's Responsibility

5. Pursuant to the requirements of the Scheme, it is our responsibility to provide a reasonable assurance whether the amounts in the Statement have been accurately extracted from the financial statements/books of accounts for the period ended 30th September 2023 and the computation of the net worth as arithmetically correct.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports of Certificate for Special Purpose issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of ethics issued by the institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits of Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.
8. Based on the examination, as above, we are of the opinion that the amounts in Statement have been accurately extracted from the financial statements/books of accounts for the period ended on 30th September 2023 and the computation of net worth is arithmetically accurate.





- Nagpur : Indo Unique Plaza, Opp. Boie Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001. (Maharashtra) INDIA Tel. : 0712 - 2520280 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 / mail@psthakareandco.com

9. The certificate is addressed to and provide to the Board of directors of the Demerged Company solely for the purpose to enable comply with requirement of the Observation Letter and to submit the accompanying Statement to the Shareholders of the Demerged Company along with Notice of Meeting and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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





B.S. Thakare
Partner
Membership Number: 127522
Place: Nagpur
Date: 21/03/2024
UDIN: 24127522BKDGYV2213

EMKAY TOOLS LTD
Statement of Assets & Liabilities

(Note:- The amounts mentioned below are as on September 30, 2023 i.e. the date of last financial statements. These amounts may change as on the Appointed Date of the Scheme i.e. April 1, 2024)

Figures are in (Rs.) and as on 30.09.2023

SN	Particulars	Pre-Demerger Assets and Liabilities	Assets and Liabilities of Demerged Undertaking to be transferred from pursuant to the Scheme	Post-Demerger Assets and Liabilities
A	DETAILS OF ASSETS AND LIABILITIES			
	EQUITY AND LIABILITIES :-			
(1)	Shareholder's Funds			
(a)	Existing Share Capital	1,00,000	(1,00,000)	-
(b)	New equity shares issued pursuant to the demerger	-	1,06,71,300	1,06,71,300
(c)	Reserves And Surplus			
	i) Share Premium Account			
	ii) Sicom Capital Incentive Reserve		29,75,000	29,75,000
	iii) D.C.V.L. Subsidy		9,70,900	9,70,900
	iv) Industrial Promotion Subsidy		2,27,95,030	2,27,95,030
	v) Profit & Loss Account		45,10,26,564	44,04,55,264
	Total (c):-	-	47,77,67,494	46,71,96,194
(2)	Share Application Money Pending Allotment			
(3)	Non-Current Liabilities:-			
(a)	Long-Term Borrowings			
	i) ICICI Bank Term Loan			
(b)	Deferred Tax Liabilities (Net)		49,64,845	49,64,845
(4)	Current Liabilities:-			
(a)	Short-Term Borrowings			
	i) ICICI Bank Ltd :			
	Cash Credit Account No. : 624251000017			
	ii) ICICI Bank Ltd :		37,50,000	37,50,000
	Current Maturity of Long Term Loan due within 12 months			
	iii) Others	2,61,159	-	2,61,159
	Total (a):-	2,61,159	37,50,000	40,11,159
(b)	Trade Payables			
	Due to :			
	Micro and Small Enterprises		17,29,015	17,29,015
	Other Payables		2,52,52,168	2,52,52,168
	Related Party		3,92,132	3,92,132
	Total (b):-	-	2,73,73,315	2,73,73,315
(c)	Other Current Liabilities			
	i) Deposits & Advances Received		8,53,060	8,53,060
	ii) Liability For Expenses	125	3,41,23,418	3,41,23,543
	iii) Statutory Liabilities		1,60,02,556	1,60,02,556
	iv) Other Credit Balances		2,56,456	2,56,456
	Total (c):-	125	5,12,35,490	5,12,35,615
(d)	Short-Term Provisions			
	i) For Employee Benefits		57,16,226	57,16,226
	ii) For Others		6,02,29,585	6,02,29,585
	Total (d):-	-	6,59,45,811	6,59,45,811
	Total Equity & Liabilities:-	3,61,284	63,10,36,955	63,13,98,239
ASSET S :-				
(1)(a)	Non-Current Assets:-			
	Fixed assets			
	(i) Property, Plant and Equipment :-			
	Land No. 1		13,50,000	13,50,000
	Land No. 2		7,66,710	7,66,710
	Building No. 1		1,66,87,443	1,66,87,443
	Building No. 2		7,85,686	7,85,686
	Furniture & Fixture		15,85,975	15,85,975
	Mobile Phone		80,774	80,774
	Office Equipments		4,58,738	4,58,738
	Plant & Machinery		8,86,19,700	8,86,19,700
	Generator		44,858	44,858
	Compressors		13,05,889	13,05,889
	Transformers		3,59,386	3,59,386
	Transport Trolleys		13,611	13,611
	Coolant Tower (L-6)		3,32,312	3,32,312
	Coolant Tower (B-27)		6,23,482	6,23,482
	Air Conditioners		6,45,418	6,45,418



SN	Particulars	Pre-Demerger Assets and Liabilities	Assets and Liabilities of Demerged Undertaking to be transferred from pursuant to the Scheme	Post-Demerger Assets and Liabilities
	Elevator (Lift)		3,11,150	3,11,150
	Computers		10,75,198	10,75,198
	Computer Software		30,012	30,012
	Inspection Equipments		15,97,846	15,97,846
	Electricals Installations		6,10,519	6,10,519
	Fax Machine		5,402	5,402
	Pollution Control Equipment		2,13,501	2,13,501
	Motor Car		38,53,856	38,53,856
	Loader E-Cart (Electric Rickshaw)		24,306	24,306
	Motor Cycle		87,173	87,173
	Fire Safety Equipment		6,17,705	6,17,705
	Solar Plant		58,51,355	58,51,355
	Total (a):-	-	12,79,38,005	12,79,38,005
(b)	Non-Current Investments			
	i) In Fixed Deposit Receipts		4,19,367	4,19,367
	Total (b):-	-	4,19,367	4,19,367
(c)	Deferred tax assets (net)			
(d)	Long term loans and advances			
	i) Capital Advances		22,000	22,000
	ii) Security Deposits	20,000	31,43,911	31,63,911
	Total (d):-	20,000	31,65,911	31,85,911
(e)	Other non-current assets			
(2)	Current Assets:-			
(a)	Current Investments			-
(b)	Inventories		17,46,91,531	17,46,91,531
(c)	Trade Receivables		22,81,10,779	22,81,10,779
(d)	Cash And Cash Equivalents			
	i) Cash in Hand		3,61,832	3,61,832
	ii) Balances with Bank	48,466	2,22,82,147	2,23,30,613
	Total (d):-	48,466	2,26,43,979	2,26,92,445
(e)	Short-Term Loans And Advances			
	i) Advances with the Suppliers		5,52,554	5,52,554
	ii) Loans & Advances to Staff		4,98,710	4,98,710
	iii) Other Advances		39,55,650	39,55,650
	Total (e):-	-	50,06,914	50,06,914
(f)	Other Current Assets			
	Advances with Revenue Authorities		6,85,18,219	6,85,18,219
	Other Debit Balances		5,42,250	5,42,250
	Miscellaneous Expenditure	2,92,818	-	2,92,818
	Total (f):-	2,92,818	6,90,60,469	6,93,53,287
	Total Assets:-	3,61,284	63,10,36,955	63,13,98,239
Note:- There is no Contingent Liability in the company as on 30/09/2023.				
B	DETAILS OF NET-WORTH			
A	Net Worth of the Company	1,00,000	47,77,67,494	47,78,67,494
		1,00,000	47,77,67,494	47,78,67,494
C	DETAILS OF REVENUE			
	Revenue for period ended September 30, 2023	-	48,10,58,034	48,10,58,034
	Revenue for year ended March 31, 2023	-	87,33,61,161	87,33,61,161

Place : Nagpur
Dated : 21/03/2024
UDIN : 24127522BKDGYY2213

For M/s P. S. Thakare & Co.
Chartered Accountant
FRN 128572W



B. S. Thakare
B. S. Thakare
Partner
Membership No. 127522

National Stock Exchange Of India Limited

Ref: NSE/LIST/D/2023/36457_1

September 22, 2023

The Company Secretary
Emkay Taps and Cutting Tools Limited
Plot No B-27 And B-27/1,
MIDC Hingna,
Industrial Estate, Nagpur-440016

Kind Attn.: Ms. Shruti Sohane

Dear Madam,

Sub: Observation Letter for draft Scheme of Arrangement between Emkay Taps and Cutting Tools Limited and Emkay Tools Limited.

We are in receipt for draft Scheme of Arrangement between Emkay Taps and Cutting Tools Limited and Emkay Tools Limited vide application dated July 11, 2023.

Based on our letter reference no. NSE/LIST/36457 dated August 21, 2023, submitted to SEBI pursuant to SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20,2023 and Regulation 94(2) of SEBI (LODR) Regulations, 2015, SEBI vide its letter dated September 22, 2023, has inter alia given the following comment(s) on the draft scheme of amalgamation:

- a. *Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- b. *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed Company and the stock Exchanges.*
- c. *The entities involved in the scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of transferor Company and transferred to the transferee Company.*
- d. *Company shall ensure that information pertaining to all the unlisted Companies involved in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- e. *Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- f. *Company shall ensure that the details of the proposed Scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.*
- g. *Company shall ensure that the proposed equity shares to be issued in terms of the "scheme" shall mandatorily be in demat form only.*

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- h. *Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*
- i. *Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/ tribunals shall be made without specific written consent of SEBI.*
- j. *Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- k. *Company shall ensure that all the applicable provisions of the Companies Act,2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*
- l. Companies shall disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013.
- *Details of the Assets, Liabilities, revenue of the Companies involved in the scheme, both pre and post scheme of arrangement.*
 - *Assets, Liabilities, revenue and net worth of the demerged undertaking along with a write up on the history of the demerged undertaking.*
 - *Latest net worth certificate along with statement of assets and liabilities of both demerged Company and resulting Company for both pre and post the scheme of arrangement.*
 - *Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed/demerged entity in last three financial years.*
 - *The need, rationale and cost-benefit analysis of the scheme along with its impact on the shareholders of demerged company.*
- m. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

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The Company should also fulfil the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Emkay Tools Limited is at the discretion of the Exchange.

The listing of Emkay Tools Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Emkay Tools Limited and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited ("NSE") for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

"The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Emkay Tools Limited, its promoters, its management etc."

2. To publish an advertisement in the newspapers containing all the information Emkay Tools Limited in line with the details required as per SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20,2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Emkay Tools Limited to NSE on continuous basis to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

a. "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

b. "There shall be no change in the shareholding pattern or control in Emkay Tools Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

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The validity of this “Observation Letter” shall be six months from September 22, 2023, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Dipti Chinchkhede
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL: <https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

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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

August 17, 2023

To,
The Deputy 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,

Ref: 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- dated July 11, 2023.

Sub: Submission of Complaints Report as per the Master Circular issued by the Securities and Exchange Board of India ('SEBI') dated June 20, 2023 on Scheme of Arrangement.

This is with reference to our above application filed with National Stock Exchange of India Limited ("NSE"/ "the Exchange") under Regulation 37 of the SEBI (LODR) Regulations. The Exchange has disseminated the Scheme, along with requisite disclosures and annexures, on the website of NSE on July 24, 2023.

As per the provisions of para (A) (6) of Part I of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Master Circular"), the listed entity is required to submit a 'Report on Complaints', containing the details of complaints received by the Company on the Scheme from various sources within 7 days of expiry of 21 days from the date of uploading of the draft Scheme and related documents on the website of the designated stock exchange. The period of 21 days, from the date of uploading of the draft Scheme along with related documents by NSE on its website (July 24, 2023), has expired on August 14, 2023.





EMKAY TOOLS

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CIN: L29220MH1995PLC091091 www.etctl.com

In view of the above, we hereby enclose the 'Report on Complaints' in compliance with the applicable provisions of the SEBI Master Circular.

Yours Faithfully,

For Emkay Taps and Cutting Tools Limited

S. Sohane

Shruti Sohane

Company Secretary & Compliance Officer

ICSI Membership No. A37324

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

REPORT ON COMPLAINTS

Period of Complaints Report – 24th July 2023 to 14th August 2023

PART A

SN	Particular	Number
1	Number of complaints received directly	0
2	Number of complaints forwarded by Stock Exchanges / SEBI	0
3	Total Number of complaints/comments received (1+2)	0
4	Number of complaints resolved	Not Applicable
5	Number of complaints pending	Not Applicable

PART B

SN	Name of complainant	Date of Complaint	Status (Resolved or pending)
1	-	-	-
2	-	-	-
3	-	-	-

For Emkay Taps and Cutting Tools Limited

S. Sohane

Shruti Sohane

Company Secretary & Compliance Officer

ICSI Membership No. : A37324

Place: Nagpur

Date: August 17, 2023





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

Details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Emkay Taps And Cutting Tools Limited (“Demerged Company”), its promoters and directors

(Status as on September 30, 2023)

S. No.	Court / Tribunal / Authority	Parties	Brief summary of case	Current status	Against (Company / Promoter / Director)
----Nil----					



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

IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH – II

C.A. (CAA) / 4 / MB / 2024

Form No. MGT-11

PROXY FORM

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

In the matter of the Companies Act, 2013

AND

In the matter of Section 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 there under;

AND

In the matter of 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 of Arrangement')

CIN : L29220MH1995PLC091091
Name of the company : EMKAY TAPS AND CUTTING TOOLS LIMITED
Registered office : Plot No. B-27, and B-27/1, MIDC Hingna, Industrial Estate, Nagpur,
Maharashtra, 440 016,
Tel. No. 91-9226071464

Name of the Member(s) : _____

Registered Address : _____

Email ID : _____

Folio No/DP ID/ Client ID: _____

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

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

Signature : _____ or failing him/her
2. Name : _____
Address : _____
Email Id : _____

Signature : _____ or failing him/her
3. Name : _____
Address : _____
Email Id : _____

Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the National Company Law Tribunal I, Mumbai Bench – II convened Meeting of the Equity Shareholders of the company, to be held on Thursday, May 2, 2024 at 11 AM at the registered office of the Company at Plot No. B-27, and B-27/1, MIDC Hingna, Industrial Estate, Nagpur, Maharashtra, 440 016 and at any adjournment thereof in respect of such resolutions as are indicated below:

To consider, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Emkay Taps and Cutting Tools Limited and Emkay Tools Limited and their respective shareholders (**‘Scheme’ or ‘Scheme of Arrangement’**)

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with SEBI Master Circular No. SEBI/HO/CFD/POD- 2/P/CIR/2023/93 dated 20th June 2023 and other applicable SEBI Circulars, the Observation Letter issued by the Stock Exchange viz. National Stock Exchange of India Limited, in this regard (including any statutory modification(s) or re-enactment(s) and circulars issued thereof, for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon’ble National Company Law Tribunal, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be

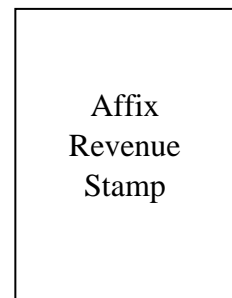
deemed appropriate by the parties to the Scheme, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Arrangement between Emkay Taps And Cutting Tools Limited and Emkay Tools Limited and their respective shareholders ('Scheme' or 'Scheme of Arrangement'), be and is hereby approved;

RESOLVED FURTHER THAT *the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper, without being required to seek any further approval of the Shareholders and the Shareholders shall be deemed to have given their approval thereto expressly by authority under this Resolution."*

Signed this _____ day of _____ 2024

Signature of shareholder _____

Signature of Proxy holder(s) _____



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



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

**NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH - II CONVENED MEETING OF THE
EQUITY SHAREHOLDERS ON THURSDAY, 2ND MAY, 2024 AT 11.00 AM**

ATTENDANCE SLIP

EMKAY TAPS AND CUTTING TOOLS LIMITED

CIN: L29220MH1995PLC091091

Address of the registered office and contact details: Plot No. B-27, and B-27/1, MIDC Hingna, Industrial
Estate, Nagpur, Maharashtra, 440 016

Tel. No. 91-9226071464; Email: investors@etctl.com

DP ID: _____

Client ID: _____

Registered Folio No.: _____

No. of Shares: _____

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

I certify that I am a shareholder / proxy of the shareholder of the Company. I/We hereby record my/our presence at the National Company Law Tribunal I, Mumbai Bench – II convened Meeting of the Equity Shareholders of the company being held on Thursday, May 2, 2024 at the registered office of the Company at Plot No. B-27, and B-27/1, MIDC Hingna, Industrial Estate, Nagpur, Maharashtra, 440 016.

Signature of Shareholder/ Proxy

Note: Please fill in attendance slip and hand it over at the entrance of the hall.

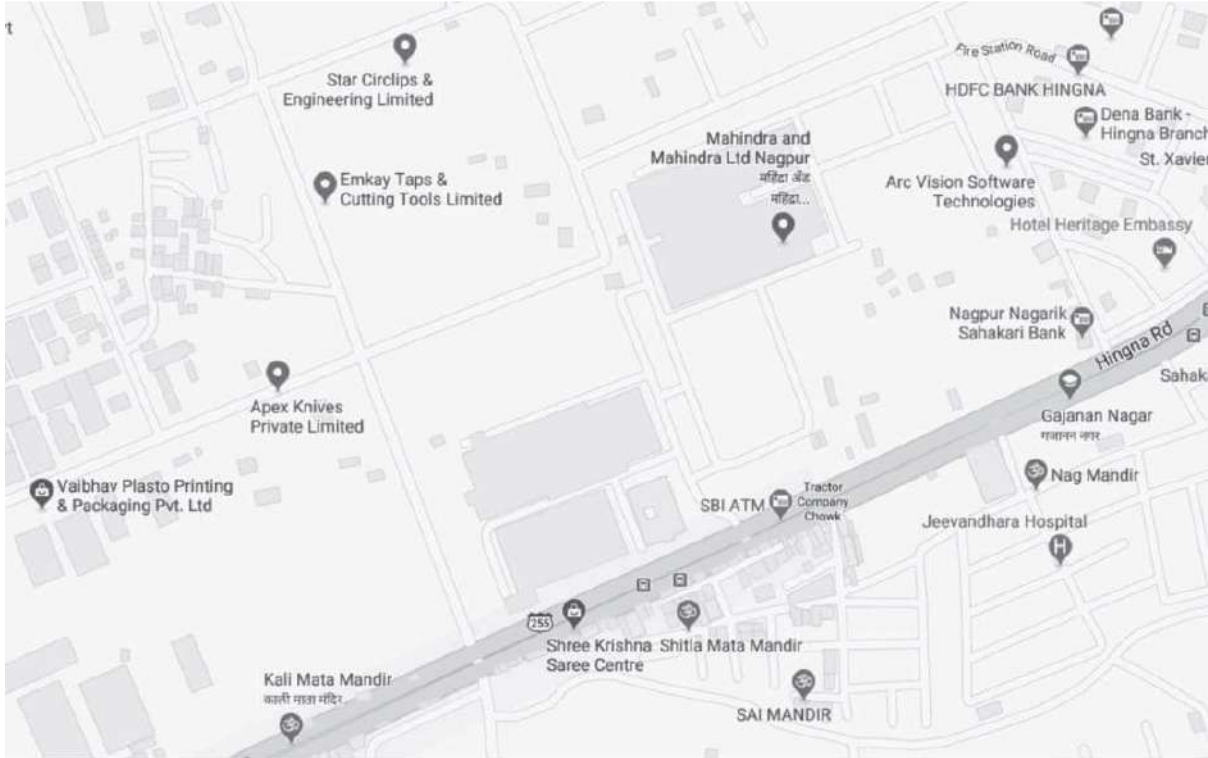


EMKAY TOOLS

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

**MAP FOR NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH - II CONVENED
MEETING OF THE EQUITY SHAREHOLDERS ON THURSDAY, 2ND MAY, 2024 AT 11.00 AM**



Emkay Taps & Cutting Tools Limited

- Landmark:** Mahindra & Mahindra CO. – 600m- 2 min.
- Distance from Hingna T–Point-** 4.5 km – 10 min.
- Distance from Mascot Honda Bhagatchowk**–1.8km- 6 min.
- Distance from IC square-** 1.4km-4 min.