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INDEPENDENT AUDITOR'S CERTIFICATE ON THE STATEMENT OF ASSETS AND LIABILITIES PRE-POST DEMERGER PURSUANT TO SCHEME OF ARRANGEMENT OF M/S EMKAY TAPS AND CUTTING TOOLS LIMITED ('THE COMPANY') AS ON MARCH 31, 2023 AS PER AUDITED BOOKS OF ACCOUNT OF THE COMPANY

To the Board of Directors of M/s. Emkay Taps and Cutting Tools Limited

1. We, P. S. Thakare & Co., Chartered Accountants (Firm Registration No. 128572WW), the Statutory Auditors of M/s Emkay Taps and Cutting Tools Limited ("the Company"), having its registered office at Plot No. B27 and B27/1, MIDC Hingna Industrial Estate, Nagpur - 440016, have examined the accompanying "Statement of Assets and Liabilities" Pre-Post Demerger pursuant to Scheme of Arrangement of the Company as on March 31, 2023 as per audited books of account of the Company ("the Statement"), which has been prepared by the Company's Management based on the audited books of account of the Company for the purpose of filing with the Registrar of Companies, in connection with the proposed Draft Scheme of Arrangement between Emkay Taps and Cutting Tools Limited ("the Demerged Company") and Emkay Tools Limited ("Resulting Company") and their respective shareholders under section 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules and regulations framed thereunder ("the Scheme").
2. For ease of reference, the accompanying "Statement of Assets and Liabilities" of the Company as on March 31, 2023 ("the Statement"), duly authenticated on behalf of the Company, is reproduced in "Annexure I" to this Certificate and is initialed by us only for the purposes of identification.

As explained to us by the Management of the Company, the purpose of this certificate is to present detailed break up of assets and liabilities that are being transferred from Demerged company to Resulting Company and balance sheet of both demerged and resulting company as on March 31, 2023. The amounts mentioned in Annexure I to this certificate are as on March 31, 2023 i.e. the date of last audited financial statements. These amounts may change as on the Appointed Date of the Scheme i.e. April 1, 2024.

Management's responsibility

3. The preparation of the Statement and the preparation and maintenance of all accounting and other relevant supporting records and documents is the responsibility of the Management of the Company. This 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; and making estimate that are reasonable in the circumstances. The Management is also responsible for ensuring compliance with the requirements of section 230 to 232 read with section 66 of the Act and the rules and regulations framed thereunder.
4. The Management is also responsible for ensuring that the Company provides all relevant information to the Registrar of Companies, Designated Stock Exchange, SEBI and any other regulatory authority seeking such information for their consideration and approval of the Scheme.





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Auditor's Responsibility

5. It is our responsibility to express reasonable assurance on:
- a) whether the amounts as stated in the column "Pre-Demerger Assets and Liabilities", "Assets and Liabilities of Demerged Undertaking to be transferred pursuant to the Scheme" and "Post-Demerger Assets and Liabilities as on March 31, 2023 (in Rs.)" in the accompanying Statement are in agreement with the audited books of account as on March 31, 2023 and other relevant records and documents of the Company.
 - b) whether the appropriation of Assets and Liabilities Post Demerger as on March 31, 2023, pursuant to the Scheme of Arrangement as stated in the accompanying Statement has been correctly calculated and presented by the Company based on our verification of Books of accounts maintained by the Company and other relevant records and documents of the Company.

Opinion

6. Based on our examination, as above, and the information and explanations given to us, along with representations provided by the Management, we are of the opinion that:
- as stated in the accompanying Statement read with the notes thereto, based on the audited books of account of the Company, the detailed statement of Assets and Liabilities Pre and Post Demerger 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.
Accordingly, as stated in the accompanying Statement, appropriation of Assets and Liabilities Post Demerger as on March 31, 2023, pursuant to the Scheme of Arrangement as stated in the accompanying Statement has been correctly calculated and presented by the Company.

Restriction on use

7. This certificate is issued at the request of the Company. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of Section 230 to section 232 of the Act and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Regulation 37 of the SEBI (LODR), Regulations, 2015 and the rules and regulations framed thereunder for the sole purpose of filing the Statement with the Registrar of Companies, National Stock Exchange of India (the Designated Stock Exchange), Securities Exchange Board of India and any other Regulatory Authority in connection with the Scheme.
8. This certificate is addressed to and provided to the Management of the Company, solely for the purpose of enabling it to comply with the aforesaid requirements, and should not be used, referred to or distributed for any other purpose or to any other party without our





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prior written consent. Accordingly, we do not accept or assume any liability or 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's Registration No. 128572W)

Thakare

(Pushkar Thakre)
Partner
(Membership No.162457)
UDIN: 23162457BGYVKH6128



Place: Nagpur
Date: 08/09/2023

Enclosure: Annexure I – Statement of Assets and Liabilities Pre-Post Demerger pursuant to Scheme of Arrangement of Emkay Taps and Cutting Tools Limited ('the Company') as on March 31, 2023 as per audited books of account of the Company duly authenticated on behalf of the Company.



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EMKAY TAPS AND CUTTING TOOLS LTD.

Statement of Assets & Liabilities

(Note:- The amounts mentioned below are as on March 31, 2023 i.e. the date of last audited financial statements. These amounts may change as on the Appointed Date of the Scheme i.e. April 1, 2024)

EQUITY AND LIABILITIES :-		Figures are in (Rs.) and as on 31.03.2023		
	Particulars	Pre-Demerger Assets and Liabilities	Assets and Liabilities of Demerged Undertaking to be transferred pursuant to the Scheme	Post-Demerger Assets 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	2,08,37,17,961	(32,40,75,351)	1,75,96,42,610
	Total (b):-	2,15,24,99,671	(35,08,16,281)	1,80,16,83,390
(2)	Share Application Money Pending Allotment	-	-	-
(3)	Non-Current Liabilities:-			
(a)	Long-Term Borrowings			
	i) ICICI Bank Term Loan	12,50,000	(12,50,000)	-
(b)	Deferred Tax Liabilities (Net)	87,21,233	(31,74,560)	55,46,673
(4)	Current Liabilities:-			
(a)	Short-Term Borrowings			
	i) ICICI Bank Ltd : Cash Credit Account No. : 624251000017	5,08,08,762	(5,08,08,762)	-
	ii) ICICI Bank Ltd : Current Maturity of Long Term Loan due within 12 months	50,00,000	(50,00,000)	-
	iii) ICICI Bank Ltd : FD Overdraft Account No. : 624205019910	1,93,327	-	1,93,327
	Total (a):-	5,60,02,089	(5,58,08,762)	1,93,327
(b)	Trade Payables			
	Due to :			
	Micro and Small Enterprises	19,75,680	(19,75,680)	-
	Other Payables	3,46,73,276	(3,46,73,276)	-
	Related Party	1,45,09,016	(1,45,09,016)	-
	Total (b):-	5,11,57,972	(5,11,57,972)	-
(c)	Other Current Liabilities			
	i) Deposits & Advances Received	12,50,415	(12,50,415)	-
	ii) Liability For Expenses	3,24,42,841	(2,70,90,512)	53,52,328
	iii) Statutory Liabilities	2,74,73,509	(2,72,58,861)	2,14,648
	iv) Other Credit Balances	3,37,948	(3,35,674)	2,274
	Total (c):-	6,15,04,712	(5,59,35,462)	55,69,250
(d)	Short-Term Provisions			
	i) For Employee Benefits	25,60,718	(25,60,718)	-
	ii) For Others	12,79,76,502	(10,95,27,192)	1,84,49,310
	Total (d):-	13,05,37,220	(11,20,87,910)	1,84,49,310
	Total Equity & Liabilities:-	2,56,83,85,897	(63,02,30,947)	1,93,81,54,950





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Statement of Assets & Liabilities

(Note:- The amounts mentioned below are as on March 31, 2023 i.e. the date of last audited financial statements. These amounts may change as on the Appointed Date of the Scheme i.e. April 1, 2024)

ASSETS :-		Figures are in (Rs.) and as on 31.03.2023		
	Particulars	Pre-Demerger Assets and Liabilities	Assets and Liabilities of Demerged Undertaking to be transferred pursuant to the Scheme	Post-Demerger Assets and Liabilities
(1)	Non-Current Assets:-			
(a)	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	1,75,19,625	(1,75,19,625)	-
	Building No. 2	8,24,867	(8,24,867)	-
	Furniture & Fixture	18,09,664	(18,09,664)	-
	Mobile Phone	1,05,120	(1,05,120)	-
	Office Equipments	5,18,468	(5,18,468)	-
	Plant & Machinery	9,71,23,579	(9,71,23,579)	-
	Generator	44,858	(44,858)	-
	Compressors	14,33,612	(14,33,612)	-
	Transformers	3,94,893	(3,94,893)	-
	Transport Trolleys	14,965	(14,965)	-
	Coolant Tower (L-6)	3,65,379	(3,65,379)	-
	Coolant Tower (B-27)	6,85,522	(6,85,522)	-
	Air Conditioners	7,06,288	(7,06,288)	-
	Elevator (Lift)	3,42,111	(3,42,111)	-
	Computers	9,62,960	(9,62,960)	-
	Computer Software	30,012	(30,012)	-
	Inspection Equipments	17,55,674	(17,55,674)	-
	Electricals Installations	6,89,851	(6,89,851)	-
	Fax Machine	5,402	(5,402)	-
	Pollution Control Equipment	2,31,447	(2,31,447)	-
	Motor Car	31,50,030	(31,50,030)	-
	Loader E-Card (Electric Rickshaw)	28,803	(28,803)	-
	Motor Cycle	99,529	(99,529)	-
	Fire Safety Equipment	6,57,153	(6,57,153)	-
	Solar Plant	61,01,518	(61,01,518)	-
	Wind Mill [Mysore]	79,41,723	-	79,41,723
	Wind Mill 2 [Rajasthan]	1,40,96,897	-	1,40,96,897
	Lease Hold Land	15,00,000	-	15,00,000
	Lease Hold Land 2 [Rajasthan]	32,00,000	-	32,00,000
	Total (a):-	16,44,56,660	(13,77,18,040)	2,67,38,620
(b)	Non-Current Investments			
	i) In Mutual Funds	25,68,68,505	-	25,68,68,505
	ii) In Quoted Equity Shares	1,09,58,53,599	-	1,09,58,53,599
	iii) In Unquoted Equity Shares	1,64,94,205	-	1,64,94,205
	iv) In Portfolio Management Service (PMS)	39,35,37,961	-	39,35,37,961
	v) In Fixed Deposit Receipts	11,19,25,374	(4,05,601)	11,15,19,773
	Total (b):-	1,87,46,79,644	(4,05,601)	1,87,42,74,043
(c)	Deferred tax assets (net)	-	-	-
(d)	Long term loans and advances			
	i) Capital Advances	22,000	(22,000)	-
	ii) Security Deposits	24,39,742	(24,11,742)	28,000
	Total (c):-	24,61,742	(24,33,742)	28,000
(e)	Other non-current assets	-	-	-





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ASSETS :-		Figures are in (Rs.) and as on 31.03.2023		
	Particulars	Pre-Demerger Assets and Liabilities	Assets and Liabilities of Demerged Undertaking to be transferred pursuant to the Scheme	Post-Demerger Assets and Liabilities
(2)	<u>Current Assets:-</u>			
(a)	<u>Current Investments</u>	-	-	-
(b)	<u>Inventories</u>	17,05,98,650	(17,05,98,650)	-
(c)	<u>Trade Receivables</u>	19,64,15,586	(19,54,90,801)	9,24,785
(d)	<u>Cash And Cash Equivalents</u>			
i)	Cash in Hand	3,29,880	(3,22,111)	7,769
ii)	Balances with Bank	1,25,64,415	(4,09,874)	1,21,54,541
	Total (d):-	1,28,94,295	(7,31,985)	1,21,62,310
(e)	<u>Short-Term Loans And Advances</u>			
i)	Advances with the Suppliers	7,65,420	(7,65,420)	-
ii)	Loans & Advances to Staff	13,37,998	(13,37,998)	-
iii)	Other Advances	11,12,659	(9,97,708)	1,14,951
	Total (e):-	32,16,077	(31,01,125)	1,14,951
(f)	<u>Other Current Assets</u>			
	Advances with Revenue Authorities	13,53,46,273	(11,96,32,534)	1,57,13,739
	Other Debit Balances	83,16,971	(1,18,470)	81,98,501
	Total (f):-	14,36,63,244	(11,97,51,004)	2,39,12,240
	Total Assets:-	2,56,83,85,897	(63,02,30,947)	1,93,81,54,950

Note:- There is no Contingent Liability in the company as on 31/03/2023.

For P S Thakare & Co
Chartered Accountants
(Firm's Registration No. 128572W)



Thakare

(Pushkar Thakre)

Partner

(Membership No.162457)

UDIN: 23162457BGVVKH6128

Place: Nagpur

Date: 08/09/2023