



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

December 24, 2024

National Stock Exchange of India Limited

Exchange Plaza

Plot No. C/1, G Block

Bandra Kurla Complex

Bandra (East), Mumbai 400 051.

Series: SM

Symbol: EMKAYTOOLS

Dear Sirs,

Subject: Apportionment of Cost of Acquisition of Equity Shares of Emkay Taps and Cutting Tools Limited and Equity Shares of Emkay Tools Limited pursuant to the Composite Scheme of Arrangement

With reference to the captioned matter, please find enclosed herewith the communication being issued for general guidance of Equity Shareholders of the Company in relation to the apportionment of the pre-demerger cost of acquisition between the equity shares of Emkay Taps and Cutting Tools Limited and the Equity Shares of Emkay Tools Limited for the purposes of the Income-tax Act, 1961. The same is also available on the website of Emkay Taps and Cutting Tools Limited.

A copy of the above communication is also being sent to all those shareholders to whom the Equity Shares are issued along with the allotment advice by Emkay Tools Limited.

Please take note of the above information on your record.

Thanking You,

Yours truly,

For Emkay Taps and Cutting Tools Limited

**ADITYA
VINOD KOKIL**

Digitally signed by ADITYA VINOD KOKIL
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Aditya Vinod Kokil

Company Secretary & Compliance Officer



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FOR ATTENTION OF THE SHAREHOLDERS OF EMKAY TAPS AND CUTTING TOOLS LIMITED

The Hon'ble National Company Law Tribunal, Mumbai Bench has vide its order dated October 28, 2024 sanctioned the Composite Scheme of Arrangement between Emkay Taps And Cutting Tools Limited and Emkay Tools Limited and their respective shareholders ('the Scheme') under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.

In terms of the Scheme, the Demerged Undertaking of Emkay Taps And Cutting Tools Limited has been demerged and stands transferred and vested in Emkay Tools Limited, on a going concern basis.

On Thursday 5th December 2024 Emkay Tools Limited has allotted 1 (One) equity share of INR 1/- (Rupee One Only) each for every 1 (One) equity share of INR 10/- (Rupees Ten Only) each held by shareholders of the Emkay Taps And Cutting Tools Limited as on record date fixed for the purpose i.e. December 04, 2024 pursuant to the Scheme. On December 23, 2024, the aforesaid equity shares of the Resulting Company have been credited in dematerialized form after necessary approvals from Depositories and Registrar and Transfer Agents ('RTA'), in the respective accounts of the shareholders who held the equity shares of the Demerged Company as on the Record Date.

For the purpose of determining the post demerger cost of acquisition of the equity shares of Emkay Taps And Cutting Tools Limited and the cost of equity shares of Emkay Tools Limited under the Income Tax Act, 1961, the shareholders are advised to apportion their pre-demerger cost of acquisition of Emkay Taps And Cutting Tools Limited's equity shares in the following manner:

Name of the Company	% of Cost of Acquisition of Emkay Taps And Cutting Tools Limited
Towards Equity Shares of Emkay Taps And Cutting Tools Limited	87.28%
Towards Equity Shares of Emkay Tools Limited	12.72%

Accordingly, the cost of acquisition of equity shares allotted in Emkay Tools Limited will be 12.72% of the total cost of acquisition of the Equity Shares held in Emkay Taps And Cutting Tools Limited, prior to the demerger. The same is based on "net book value" of the assets of the Demerged Undertaking to the "net worth" of Emkay Taps And Cutting Tools Limited. This is based on the certificate obtained from *P.S Thakare*, Chartered Accountants.



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Further, according to the provisions of Section 47(vi)(d) of the Income Tax Act, 1961, the issue of equity shares by Emkay Tools Limited pursuant to the Scheme, to the equity shareholders of the Emkay Taps And Cutting Tools Limited in consideration of the transfer and vesting of the Demerged Undertaking will not be regarded as transfer.

This communication is merely for the general guidance of the shareholders and should not be considered as a substitute for any independent opinion that the shareholders may obtain. Emkay Taps And Cutting Tools Limited takes no express or implied liability in relation to this guidance.