

**EMKAY TOOLS LIMITED**

Emkay Tools Limited (“the Company” or “ETL” or “Resulting Company”) was incorporated as a public limited company under the Companies Act, 2013 in the state of Maharashtra vide Certificate of Incorporation dated April 25, 2023 issued by the Central Registration Centre, Registrar of Companies on behalf of the Registrar of Companies, Maharashtra (“RoC”). Our Company filed a declaration of commencement of business with the ROC on May 23, 2023. Our Company was incorporated as a wholly owned subsidiary of Emkay Taps and Cutting Tools Limited. There is no change in name and registered office of our Company from the date of Incorporation of the Company. For further details, see the chapter titled ‘History and Certain Other Corporate Matters’ beginning on page 73 of this Draft Information Memorandum.

Corporate Identity Number: U25939MH2023PLC401627

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

Website: www.emkaytoolsltd.com | **Email:** investors@emkaytoolsltd.com | **Tel:** 9272090765;

Contact Person: Mrs. Riya Sarang Agrawal, Company Secretary and Compliance Officer;

PROMOTERS OF OUR COMPANY

AJAYPRAKASH MURLIDHAR KANORIA HUF, MRS.ALKA AJAYPRAKASH KANORIA, MR. AJAYPRAKASH MURLIDHAR KANORIA AND APOORVASHREE A KANORIA

DRAFT INFORMATION MEMORANDUM FOR LISTING OF 1,06,71,300 EQUITY SHARES OF FACE VALUE OF ₹ 1/- EACH ALLOTTED BY THE COMPANY PURSUANT TO THE SCHEME OF ARRANGEMENT

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DRAFT INFORMATION MEMORANDUM

GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Equity Shares of the Company. For taking an investment decision, investors must rely on their own examination of our Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Information Memorandum. Specific attention of the investors is invited to “Risk Factors” on page 20.

OUR COMPANY’S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Information Memorandum contains all information with regard to the Company, which is material, that the information contained in this Draft Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares of our Company are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”). For the purposes of listing of our Equity Shares pursuant to the Scheme, NSE EMERGE is the Designated Stock Exchange. Our Company has submitted this Draft Information Memorandum with NSE EMERGE. The Draft Information Memorandum will be made available on our Company’s website at www.emkaytoolsltd.com and on the websites of the Stock Exchange at www.nseindia.com.

REGISTRAR AND SHARE TRANSFER AGENT**BIGSHARE SERVICES PRIVATE LIMITED**

Address: Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093.

Tel No.: +91 022-62638200/22

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Contact Person: Mr. Jibu John

SEBI Registration Number: INR000001385



TABLE OF CONTENTS

SECTION I – GENERAL	3
DEFINITION AND ABBREVIATIONS	3
CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY & MARKET DATA ...	13
FORWARD LOOKING STATEMENTS	15
SECTION II - INFORMATION MEMORANDUM SUMMARY	16
SECTION III – RISK FACTORS	20
SECTION IV – INTRODUCTION	26
GENERAL INFORMATION	26
CAPITAL STRUCTURE	30
OBJECTS AND RATIONALE OF THE SCHEME	38
STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS.....	41
SECTION V – ABOUT US	44
INDUSTRY OVERVIEW	44
OUR BUSINESS	63
KEY INDUSTRY REGULATIONS AND POLICIES	70
HISTORY AND CERTAIN OTHER CORPORATE MATTERS	73
OUR MANAGEMENT	77
OUR PROMOTER AND PROMOTER GROUP	88
OUR GROUP COMPANIES.....	91
RELATED PARTY TRANSACTIONS	94
DIVIDEND POLICY	95
SECTION VI – FINANCIAL INFORMATION	96
FINANCIAL STATEMENTS	96
CAPITALIZATION STATEMENT	97
OTHER FINANCIAL INFORMATION	98
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	99
SECTION VII – LEGAL AND OTHER INFORMATION	105
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS.....	105
GOVERNMENT AND OTHER STATUTORY APPROVALS	108
OTHER REGULATORY AND STATUTORY DISCLOSURES	110
SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	114
SECTION IX – OTHER INFORMATION MATERIAL	149
DECLARATION	151

SECTION I – GENERAL

DEFINITION AND ABBREVIATIONS

This Draft Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings provided below. References to any legislation, act, regulation, rules, guidelines or policies, circular, notification or clarification shall be to such legislation, act, regulation, rules, guidelines or policies, circular, notification or clarification as amended, supplemented or re-enacted from time to time.

Notwithstanding the foregoing, terms in ‘Main Provisions of the Articles of Association’, ‘Statement of Possible Tax Benefits’, ‘Industry Overview’, ‘Our Business’, ‘Risk Factors’, ‘Financial Information’, ‘Outstanding Litigation and Material Developments’ and ‘Objects and Rationale of the Scheme’, shall have the meaning ascribed to such terms in those respective sections.

General Terms

Term	Description
“ETL”, “our Company”, “the Company”, “Resulting Company”	Emkay Tools Limited (CIN: U25939MH2023PLC401627), a company incorporated under the Companies Act, 2013 and having its registered office at B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, MIDC Nagpur, Maharashtra, India, 440016.
“We”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company.

Company and Scheme Related Terms

Term	Description
“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;
AoA/ Articles of Association/ Articles	The articles of association of our Company, as amended from time to time.
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;
Appointed Date	April 1, 2024
Auditor or Statutory Auditor	The Statutory Auditor of our Company, being P.S. Thakare & Co., Chartered Accountants (FRN: 128572W)
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with the SEBI LODR Regulations to the extent applicable and the Companies Act, 2013 as amended from time to time. For details, see the chapter titled ‘Our Management’ on page 77.
Board of Directors/ the Board/ our Board	The Board of Directors of our Company, including all duly constituted Committee(s) thereof.
Chief Financial Officer	Mr. Sumit Chandrashekhar Gaidhane, Chief Financial Officer of the Company.

Term	Description
Company Secretary and Compliance Officer	Mrs. Riya Sarang Agrawal, Company Secretary & Compliance Office of the Company.
Corporate Social Responsibility Committee	The Corporate Social Responsibility committee of our Company, constituted in accordance with the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as described in the chapter titled ' <i>Our Management</i> ' on page 77
"Demerged Company" or "ETCTL"	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
Demerged Undertaking	<p>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:</p> <ol style="list-style-type: none"> <li data-bbox="486 752 1356 1133">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; <li data-bbox="486 1133 1356 1357">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; <li data-bbox="486 1357 1356 1435">iii. Loans, deposits and advances, including capital advances, pertaining to Manufacturing Business; <li data-bbox="486 1435 1356 1592">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; <li data-bbox="486 1592 1356 1749">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; <li data-bbox="486 1749 1356 1861">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; <li data-bbox="486 1861 1356 2054">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 the Scheme, as reduced by the face value of shares issued by the Resulting Company under

Term	Description
	<p>Clause 5 of the Scheme;</p> <p>viii. Without prejudice to the generality of the above clause, the Demerged Undertaking shall include in particular:</p> <ol style="list-style-type: none"> 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

Term	Description
	<p>Demerged Company employed in and / or relatable to the Manufacturing Business as on the Effective Date; and</p> <p>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;</p> <p>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 unutilized 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),</p> <p>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;</p> <p>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</p> <p>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.</p>
Draft Information Memorandum	The Draft Information Memorandum dated January 18, 2025 filed with the Stock Exchange.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Effective Date	November 19, 2024

Term	Description
Eligible Shareholders	Shall mean eligible shareholder(s) of the equity shares of Emkay Taps and Cutting Tools Limited as on the Record Date. i.e. December 04, 2024
Equity Shares	Unless otherwise specified, fully paid-up equity shares of our Company of face value of ₹ 1/- each
Financial Statements/ Restated Financial Statements	Audited Financial Statements of our Company since Incorporation i.e. April 25, 2023 till the period ended March 31, 2024 and Restated Financial Statement for the six months period ended on September 30, 2024 and for the financial year ended March 31, 2024 along with the Independent Auditor's Examination Report
Group Companies	The Companies with which our Company had related party transactions, during the period for which financial statements is disclosed in this Draft Information Memorandum, as covered under the applicable accounting standards, and such other companies as considered material by the Board of Directors. For further details on our Group Companies, see the chapter titled ' <i>Our Group Companies</i> ' on page 91.
Independent Director	A non-executive, independent director of our Company as per the Companies Act, 2013 and the SEBI LODR Regulations.
Key Managerial Personnel / KMP	Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as identified in chapter titled " <i>Our Management</i> " beginning on page 77.
MOA/Memorandum/ Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
NCLT or "Tribunal"	The National Company Law Tribunal, Mumbai Bench
Nomination and Remuneration Committee	The committee of the Board of Directors constituted in accordance with SEBI LODR Regulations to the extent applicable and the Companies Act, 2013 as amended from time to time. For details, see chapter titled ' <i>Our Management</i> ' on page 77.
Non-Executive Director(s)	A Non-Executive director of our Company, unless otherwise specified.
Promoters/ Promoters	our The promoter of the Company, being Ajayprakash Murlidhar Kanoria HUF, Mrs. Alka Ajayprakash Kanoria, Mr. Ajayprakash Murlidhar Kanoria and Apoorvashree A Kanoria. For details, see Chapter titled ' <i>Our Promoters and Promoter Group</i> ' on page 88.
Promoter Group	Persons and entities constituting our promoter group in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations. For details, see Chapter titled ' <i>Our Promoters and Promoter Group</i> ' on page 88.
Record Date	December 04, 2024
Registered Office	The registered office of the Company, situated at B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, MIDC Nagpur, Maharashtra, India, 440016
RoC/ Registrar of Companies	Registrar of Companies, Mumbai, Maharashtra
Scheme / Scheme of Arrangement	The scheme of arrangement under the provisions of sections 230 to 232, read with section 66 and other applicable provisions of the Companies Act, 2013 between Emkay Taps and Cutting Tools Limited (Demerged Company) and Emkay Tools Limited (Resulting Company) and their respective shareholders and creditors, as sanctioned by the NCLT vide its

Term	Description
	order dated October 28, 2024 (certified true copy of the order was received on November 12, 2024)
Stakeholders Relationship Committee	The committee of the Board of Directors constituted as the Company's stakeholders' relationship committee in accordance with the SEBI Listing Regulations and the Companies Act, 2013. For details, see the chapter titled 'Our Management' on page 77.

Conventional and General Terms/ Abbreviations

Term	Description
₹/ Rs./ Rupee(s)/ INR/ Re	Indian Rupees, the official currency of the Republic of India
AGM	Annual General Meeting
AS	Accounting Standards, as issued by the Institute of Chartered Accountants of India
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
CAGR	Compounded Annual Growth Rate
Capital or Share Capital	Share Capital of our Company
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act, 1956	<i>Erstwhile</i> Companies Act, 1956
Companies Act, 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
CSR	Corporate Social Responsibility
Demat	Dematerialized
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited)
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated Stock Exchange/DSE	EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE).
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EPCG	Export Promotion Capital Goods
EGM	Extra-ordinary General Meeting
EPS	Earnings Per Share
F.Y./ Financial Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of

Term	Description
	Commerce and Industry, Government of India and any modifications thereto or substitutions thereof, issued from time to time
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under.
FEMA Rules	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019
FIs	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
FPIs	Foreign Portfolio Investor registered with the SEBI under applicable laws in India
Fugitive economic offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GOI/ Government	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST Act	The Central Goods and Services Tax Act, 2017
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended from time to time.
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI ICDRRegulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
INR	Indian National Rupee
ISIN	International Securities Identification Number allotted by the depository
ISO	International Organization for Standardization
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
ID Act	The Industrial Disputes Act, 1947
IFSC	Indian Financial System Code
IGST	Integrated GST
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchange post applicability of the SEBI LODR Regulations
MCA	The Ministry of Corporate Affairs, GoI
MIDC	Maharashtra Industrial Development Corporation
MRTU and PULP Act	Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971
MD	Managing Director
N/A or N.A.	Not Applicable

Term	Description
NAV	Net Asset Value
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India
NR	Non Resident
NRE Account	Non Resident (External) Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016, as amended from time to time
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
p.m.	per month
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
ROE	Return on Equity
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957 as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendment thereof.
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and amendment thereof.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendment thereof.
SGST	State GST

Term	Description
Sec	Section
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
u/s	Under Section
UIN	Unique Identification Number
USA	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of America
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
Wilful defaulter	A wilful defaulter, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations, means a person who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guideline on wilful defaulter issued by the RBI
YoY	Year over year

Technical and Industry related Terms/ Abbreviations

Term	Description
R&D	Research and Development
AlTiN	Aluminium Titanium Nitride
C.I.	Cast Iron
CNC	Computer Numerical Control
GBMS	Gardner Business Media Survey
GBI	Generation Based Incentive
GWEO	Global Wind Energy Outlook
HSS	High Speed Steel
HSSE	High Speed Steel M35
HSS-M2	High Speed Steel M2
IS	International Standard
ISO	International Standard Organisation
KW	Kilo Watt
Mm	Millimetre
MW	Mega Watt
REC	Renewable Energy Certificate
Si	System International
SQ-	Square Across Flat
TPI	Thread Per Inch

TR	Thread Relief
TW	Tera watt
UNC	Unified Coarse
UNF	Unified Fine
VMC	Vertical Machine Centre
WTG	Wind Turbine Generators

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY & MARKET DATA

Certain Convention

All references in this Draft Information Memorandum to “India” are to the Republic of India and all references herein to the “Government”. “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless stated otherwise, all references to page numbers in this Draft Information Memorandum are to the page numbers of this Draft Information Memorandum.

Time

Unless otherwise specified, any time mentioned in this Draft Information Memorandum is in Indian Standard Time (“IST”).

Financial Data

Unless stated otherwise, the financial data in this Draft Information Memorandum is derived from our Financial Statements. Our Company publishes its financial statements in Indian Rupees. Our financial statements, including the report issued by the Statutory Auditor 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. For further information, see ‘*Financial Information*’ beginning on page 96.

Our Company’s financial year commences on April 1 and ends on March 31 of each year, so all references to a particular financial year are to the 12 months period ended March 31 of that year. Our Company was incorporated on April 25, 2023 and accordingly, the reference in this Draft Information Memorandum for financial year 2023-24 shall mean the period commencing from April 25, 2023 and ending on March 31, 2024.

Certain figures contained in this Draft Information Memorandum, including financial information, have been subject to rounding off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Currency of Presentation

All references to “Rupees” or “₹” or “Rs.” or “INR” or “Re” are to Indian Rupees, the official currency of the Republic of India. Our Company has presented certain numerical information in this Draft Information Memorandum, in “Thousand”, “Lakhs” and “Crore” units or in whole numbers where the numbers have been too small to represent in such units. One Thousand represents 1000, One Lakh represents 1,00,000 and One crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than lakhs or maybe rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Information Memorandum in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Industry and Market Data

Unless stated otherwise, industry and market data and various forecasts used throughout this Draft Information Memorandum have been obtained from various publicly available sources, including industry websites and publicly available industry reports.

Industry websites and publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Draft Information Memorandum is reliable, it has not been independently verified by our Company and our affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled '*Risk Factors*' beginning on page 20. Accordingly, investment decisions should not be based solely on such information.

The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Further, the extent to which the industry and market data presented in this Draft Information Memorandum is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

This Draft Information Memorandum contains certain “*forward-looking statements*”. These forward-looking statements can generally be identified by words or phrases such as “*aim*”, “*anticipate*”, “*believe*”, “*expect*”, “*estimate*”, “*intend*”, “*objective*”, “*plan*”, “*project*”, “*shall*”, “*will*”, “*will continue*”, “*will pursue*” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are based on our current plans, estimates, presumptions and expectations, and are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward- looking statement.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to the following -

- Uncertainty in the integration of Demerged Undertaking into our newly incorporated Company;
- Our ability to successfully implement our strategy, our growth plans;
- Dependency on our management and our ability to attract and retain qualified personnel;
- Outcome of legal or regulatory proceedings to which we, are a party to or might become involved in;
- Changes in political and social conditions in India;
- Our ability to control cost and retained key personnel;
- Our ability to compete effectively, particularly in new markets and business lines;
- Other factors beyond our control.

For a further discussion of factors that could cause our actual results to differ, refer to section titled ‘*Risk Factors*’ beginning on page 20. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

These statements are based on the management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Future looking statements speak only as of the date of this Draft Information Memorandum. Neither we nor our Promoters, Directors, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

SECTION II - INFORMATION MEMORANDUM SUMMARY

This section is a summary of specific disclosures included in this Draft Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. For additional information and further details with respect to any of the information summarised below, please refer to the relevant sections of this Draft Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Financial Statements.

Summary of Industry

Global growth is projected to stabilize at 2.6 percent this year, holding steady for the first time in three years despite flaring geopolitical tensions and high interest rates. It is then expected to edge up to 2.7 percent in 2025-26 amid modest growth in trade and investment. Global inflation is projected to moderate - but at a slower clip than previously assumed, averaging 3.5 percent this year. Given continued inflationary pressures, central banks in both advanced economies and emerging market and developing economies (EMDEs) will likely remain cautious in easing monetary policy. As such, average benchmark policy interest rates over the next few years are expected to remain about double the 2000-19 average.

Despite an improvement in near-term growth prospects, the outlook remains subdued by historical standards in advanced economies and EMDEs alike. Global growth over the forecast horizon is expected to be nearly half a percentage point below its 2010-19 average pace. In 2024-25, growth is set to underperform its 2010s average in nearly 60 percent of economies, representing more than 80 percent of global population and world output. EMDE growth is forecast to moderate from 4.2 percent in 2023 to 4 percent in both 2024 and 2025. Prospects remain especially lack luster in many vulnerable economies - over half of economies facing fragile - and conflict-affected situations will still be poorer by the end of this year than on the eve of the pandemic.

Global risks remain tilted to the downside despite the possibility of some upside surprises. Escalating geopolitical tensions could lead to volatile commodity prices, while further trade fragmentation risks additional disruptions to trade networks. Already, trade policy uncertainty has reached exceptionally high levels compared to other years that have featured major elections around the world since 2000. The persistence of inflation could lead to delays in monetary easing. A higher-for-longer path for interest rates would dampen global activity. Some major economies could grow more slowly than currently anticipated due to a range of domestic challenges. Additional natural disasters related to climate change could also hinder activity. On the upside, global inflation could moderate more quickly than assumed in the baseline, enabling faster monetary policy easing. In addition, growth in the United States could be stronger than expected.

For further details, please see section titled '*Industry Overview*' on page 44.

Summary of Business

Our Company was incorporated on April 25, 2023, as a wholly owned Subsidiary of the "Emkay Taps and Cutting Tools Limited", under the Companies Act, 2013, as amended from time to time, with the object to carry on the 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.

Pursuant to the Scheme and the transfer of the Demerged Undertaking of Emkay Taps and Cutting Tools Limited into our Company, 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 has been demerged from the Emkay Taps and Cutting Tools Limited and vested into our Company with effect from the appointed date of the Scheme i.e. April 01, 2024

For further details, please see section titled 'Our Business' on page 63.

Promoters of Our Company

The Promoters of our Company are Ajayprakash Murlidhar Kanoria HUF, Alka Ajayprakash Kanoria, Ajayprakash Murlidhar Kanoria and Apoorvashree A Kanoria.

For further details, see the chapter titled 'Our Promoters and Promoter Group' on page 88.

Shareholding of our Promoters and Promoter Group

Set forth below are the details of the shareholding of our Promoters and members of our Promoter Group as on data of this Draft Information Memorandum:

Name of person/ Entity	No. of Equity Shares held	% of total shares of the Company
Promoter (A)		
1. Ajayprakash Murlidhar Kanoria HUF	43,53,960	40.80%
2. Alka Ajayprakash Kanoria	11,24,190	10.53%
3. Ajayprakash Murlidhar Kanoria	6,28,050	5.89%
4. Apoorvashree A Kanoria	1,500	0.01%
Total (A)	61,07,700	57.23%
Promoter Group (B)		
5. Nagpur Tools Private Limited	18,93,600	17.74%
6. Adishree Engineering Private Limited	1,500	0.01%
Total (B)	18,95,100	17.75%
Total (A) + (B)	80,02,800	74.99%

Summary of Financial Information

The following information has been derived from the Restated Financial Statements as at and for the period ended September 30, 2024 and for the year ended March 31, 2024:

(Amount in ₹ Thousand)

Particulars	September 30, 2024	March 31, 2024
Equity Share Capital	10,671.30	10,671.30
Net Worth	5,82,300.22	3,80,417.04
Revenue from Operations	5,39,380.10	-
Profit/(Loss) after tax	2,01,883.18	-
Earnings per share (Basic & Diluted) (In ₹)	18.92	-
Net Asset Value per equity share (In ₹)	54.57	35.65
Total borrowings	9,337.89	65,100.76

Audit Qualifications:

There have been no qualifications or adverse remarks by our Auditor in the Financial Statements. For further details, please see section titled '*Financial Statements*' on page 96.

Summary of Outstanding Litigations

The summary of outstanding or pending litigations involving our Company, Directors and Promoters as applicable, on the date of this Draft Information Memorandum is set out below:

Name of the Entity	Proceeding			Disciplinary actions by the SEBI or Stock Exchanges	Civil litigation	Aggregate amount involved (INR Lakhs)
	Criminal	Tax	Statutory/Regulatory			
Company						
By	-	-	-	-	-	-
Against	-	-	-	-	-	-
Directors						
By	-	-	-	-	-	-
Against	-	-	-	-	-	-
Promoters						
By	-	-	-	-	-	-
Against	-	-	-	-	-	-
Group Co.						
By	2	-	-	-	1	25.97
Against	-	-	-	-	-	-

For further details, see the chapter titled '*Outstanding Litigations and Material Developments*' on page 105.

Risk Factors

For details of the risks associated with our Company, see the section '*Risk Factors*' on page 20.

Summary of Contingent Liabilities

The Company does not have any contingent liabilities as on September 30, 2024 and for the year ended March 31, 2024.

Related Party Transactions

For details of the related party transactions see '*Related party Transaction*', beginning on page 94.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, or our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity, during a period of six months immediately preceding the date of this Draft Information Memorandum.

Weighted Average Price of acquisition of the Equity Shares by our Promoters in the last one year

The weighted average price at which Equity Shares were acquired by our Promoters in the one year preceding the date of this Draft Information Memorandum is not applicable as the Equity Shares are acquired by our Promoters pursuant to the Scheme only.

Average cost of acquisition

The average cost of acquisition per Equity Share for the Promoters are not applicable as the Equity Shares were allotted pursuant to the Scheme.

Issue of Equity Shares for consideration other than cash in last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Information Memorandum, except as set forth below:

Date of allotment*	No. of Equity Shares allotted	Face value per Equity Share	Nature of allotment	Nature of consideration
September 05, 2024	1,06,71,300	1/-	Allotment pursuant to Scheme	Pursuant to the Scheme

**Allotment to the eligible shareholders of the Demerged Company. For further details of the Scheme, see 'Objects and Rationale of the Scheme' on page 38.*

Split/ Consolidation of Equity Shares in the last one year

Our Company has not undertaken split or consolidation of the Equity Shares in the one year preceding the date of this Draft Information Memorandum.

Exemption under securities laws

Our Company has been granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI vide the letter no. [•] dated [•].

SECTION III – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our Company's business, results of operations and financial condition could suffer, the price of the Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated, our Company is not in a position to specify or quantify the financial or other risks mentioned herein. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with 'Industry Overview', 'Our Business', 'Financial Statements' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on pages 44, 63, 96 and 99, respectively, as well as the other financial and statistical information contained in this Draft Information Memorandum.

This Draft Information Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Information Memorandum. Please see section titled "Forward Looking Statements" on page 15 of this Draft Information Memorandum.

Wherever used in this section the terms "we", "us" "our" shall mean our Company, including the Demerged Undertaking which is transferred pursuant to the Scheme, unless otherwise stated. While the following section includes material risks in relation to the business operations of our Company, post the Effective Date, for complete details in relation to the Manufacturing Business, including the historical performance, previous milestones and risk factors, the disclosures in the section below should be read with the information available on the websites of the Stock Exchange, and financial statements, investor presentations and corporate disclosures issued by Demerged Company.

INTERNAL RISKS FACTORS

1. The Company was incorporated on April 25, 2023, and there may be certain uncertainties in the integration of the Demerged Undertaking into a newly incorporated entity, such as our Company.

The Company was incorporated on April 25, 2023 and commenced the business of manufacturing of threading taps and cutting tools from the Effective Date upon transfer of the Demerged Undertaking to the Company as a going concern. Accordingly, there may be certain uncertainties in the integration of the Demerged Undertaking into a newly incorporated entity such as our Company. While post the Effective Date, all the employees including experienced personnel in the Demerged Undertaking have been transferred to the Company, the Company may be unable to effectively integrate the Demerged Undertaking, and efficiently operate the consequent business of the Company, thereby adversely impacting the results of the Company's operations and profitability of the business. Inability to effect any of such transfers in a timely manner may materially impact the ability of the Company to carry on and undertake business operations.

2. The requirements of being a listed company may strain our resources.

We were not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and

other expenses that we did not incur as an unlisted company. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of our Company.

3. *There are outstanding litigation proceedings against our Company, Directors and Promoters, which if determined adversely, could affect our business and the results of operations.*

In the ordinary course of our business, our Company, Directors and Promoters, are involved in certain legal proceedings, pending at varying levels of adjudication before various courts, tribunals, and appellate authorities.

A summary of outstanding litigation proceedings involving our Company, Directors and Promoters are set out below:

Name of the Entity	Proceeding			Disciplinary actions by the SEBI or Stock Exchanges	Civil litigation	Aggregate amount involved (INR Lakhs)
	Criminal	Tax	Statutory/Regulatory			
Company						
By	-	-	-	-	-	-
Against	-	-	-	-	-	-
Directors						
By	-	-	-	-	-	-
Against	-	-	-	-	-	-
Promoters						
By	-	-	-	-	-	-
Against	-	-	-	-	-	-
Group Co.						
By	2	-	-	-	1	25.97
Against	-	-	-	-	-	-

Given the uncertainties and complexities of many of these regulatory or legal proceedings, their outcome generally cannot be predicted with any reasonable degree of certainty.

We cannot assure you that any of the outstanding legal proceedings will be settled in our favour, or that no additional liability will arise out of these proceedings. We may incur expenses and managements' time in such legal proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. An adverse outcome in any of these proceedings could have an adverse effect on our business, financial condition, results of operations, and prospects.

For details, see 'Outstanding Litigation and Material Developments' on page 105 of this Draft Information Memorandum.

4. *We are dependent on a number of key personnel, including our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.*

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires.

5. *Certain of our Promoters, Directors and Key Management Personnel may be interested in our Company other than remuneration and reimbursement of expenses.*

Certain of our Directors and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect in our Company and benefits arising therefrom. Our Promoters are also interested in our Company to the extent of their shareholding in our Company. Our Directors may also be deemed to be interested to the extent of their shareholding in our Group Companies on account of related party transactions entered into by our Company with such Group Companies. There can be no assurance that our Promoters and our Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company/firm/entity in which they are director/promoter/partner. For details, see 'Our Management', 'Our Promoters and Promoter Group', 'Our Group Companies' and 'Related Party Transactions' on pages 77, 88, 91 and 94 respectively of this Draft Information Memorandum.

6. *Our ability to pay dividends in the future will depend on our future cash flows, investments, expenditures and financial condition.*

The amount of our future dividend payments, if any, will be at the sole discretion of our Board of Directors subject to regulatory stipulations and will depend on our future earnings, cash flows and our financial condition. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. We may be unable to pay dividends in the near or medium term and our future dividend policy will depend on our capital requirements, financial condition and results of operations. For details, see 'Dividend Policy' on page 95 of this Draft Information Memorandum.

7. *Industry information included in this Draft Information Memorandum has been derived from various websites and publicly available documents from different industry sources. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*

We have relied on the industry information available from various websites and publicly available documents from different industry sources for purposes of inclusion of such information in this Draft Information Memorandum which are subject to various limitations and based upon certain assumptions that are subjective in nature.

While we have taken reasonable care in the reproduction of the information, neither the Company nor its respective affiliates or advisors have independently verified data from such industry reports and other sources, and accordingly, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics.

8. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risks.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. Any dilution or deficiency in our internal control system may expose us to additional risks.

EXTERNAL RISK FACTORS

9. There is no prior trading history for the equity shares of the Company

Since the equity shares of the Company have not been previously traded, their market value is uncertain. Following admission, the market price of the equity shares may be volatile. Our Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. At the same time, market conditions may affect the price of our Company's equity shares regardless of the operating performance of our Company. Stock market conditions are affected by many factors, such as general economic and political conditions, terrorist activity, natural calamities, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards the retail market and the supply and demand of capital.

10. Taxes and other levies imposed by the Government of India or State Governments relating to our Company's business may have a material adverse effect on our business.

Taxes and other levies imposed by the Central or State Governments that could potentially affect the costs of our products and services include, goods and service tax, state value added tax, state entry tax and import duties. Any increase or changes in any of these taxes or levies, including an imposition of new taxes or levies in future, may have a material adverse impact on the business, profitability and financial condition of our Company.

11. General economic and market conditions in India and the geographies that we operate could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Our business is dependent on economic and market conditions in India and other jurisdictions where we operate. General economic and political conditions in India, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions. Market conditions may change rapidly and the Indian capital markets have experienced significant volatility in the past. The Indian economy has

had sustained periods of high inflation in the recent past. If inflation or real interest rates were to rise significantly, the trends towards increased financial savings might slow down or reverse, our employee costs may increase and the sales of many of our products and services may decline. Furthermore, the industry in which we operate is highly dependent on auto sector, general engineering industry, and electrical fitting sector. Any slowdown in these will also affect our industry.

12. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to 'Key Industry Regulations and Policies' on page 70 for details of the laws currently applicable to us. There can be no assurance that the Government of India will not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties.

13. Our Company may decide to offer additional equity shares in the future, diluting the interests of existing shareholders which could adversely affect the market price of the equity shares.

Our Company's ability to execute our business strategy depends on our access to an appropriate blend of debt financing, and equity financing. If our Company decides to offer additional equity shares or other securities convertible into equity shares in the future, this could dilute the interests of existing shareholders which could have an adverse impact on the market price of equity shares. Any additional offering of equity shares by our Company, or the public perception that an offering may occur, could have an adverse impact on the market price of the equity shares.

14. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.

India has experienced natural calamities such as earthquakes, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

15. Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be similar to the shareholders' rights under the laws of other countries or jurisdictions.

16. Delay in listing of equity shares on Stock Exchange.

In accordance with the Scheme, the Equity Shares of our Company shall be listed NSE EMERGE. The listing of Equity shares is subject to relaxation under Rule 19(2) (b) of the SCRR being granted by SEBI. There could be a failure or delay in listing the Equity Shares on the Stock Exchange which may result investors' ability to dispose of their Equity Shares.

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

Pursuant to listing, we will be subject to a daily "circuit breaker" imposed by the Stock Exchange which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit, breakers generally imposed by SEBI on Indian stock exchange. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchange may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding shareholders ability to sell Equity Shares at any particular time.

18. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing or reporting requirements and does not fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as a public limited company under the Companies Act, 2013, in the state of Maharashtra, India under the name of “Emkay Tools Limited” pursuant to a certificate of incorporation dated April 25, 2023 issued by the Central Registration Centre, Registrar of Companies on behalf of the Registrar of Companies, Mumbai (“RoC”). Our Company filed declaration of commencement of business with the RoC on May 23, 2023. Our Company was incorporated as a wholly owned subsidiary of “Emkay Taps And Cutting Tools Limited”. The Corporate Identity Number (CIN) of our Company is U25939MH2023PLC401627. There is no change in the name and registered office of our Company since Incorporation.

Brief about our Company

Emkay Tools Limited	
Date of Incorporation	: April 25, 2023
Company Category	: Company limited by shares
Company Sub-category	: Non-government company
CIN	: U25939MH2023PLC401627
Registration Number	: 401627
Registered Office Address	: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, MIDC Nagpur, Maharashtra, India, 440016
Telephone	: 9272090765
E-mail	: investors@emkaytoolsltd.com
Website	: www.emkaytoolsltd.com

Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra, the details of which is mentioned below:

Registered of Company	
Address	: 100, Everest, Marine Drive, Mumbai-400002, Maharashtra
Tel No	: 022 - 22812627/ 22020295/ 22846954
Mail Id	: roc.mumbai@mca.gov.in
Website	: http://www.mca.gov.in

Board of Directors

The Board of Directors of our Company as on the date of this Draft Information Memorandum are as under:

Name	Designation	DIN	Address
Ajayprakash Kanoria	Managing Director	00041279	Flat No 401 and 402, Mahalaxmi Apartment, Near Shivaji Nagar Garden, Shivaji Nagar, Shankar Nagar, Nagpur – 440010, Maharashtra, India

Alka Kanoria	Executive Director	00041346	Flat No 401 and 402, Mahalaxmi Apartment, Near Shivaji Nagar Garden, Shivaji Nagar, Shankar Nagar, Nagpur – 440010, Maharashtra, India
Mahesh Ishwardas Mor	Independent Director	07151767	Plot No. 24-25 Kshitij, Behind Omkar Apartment, Hajari Pahad Seminary Hills, Nagpur – 440006, Maharashtra, India
Ravindra Ramesh Loiya	Independent Director	07158487	Raj Bhavan, Loiya Marg, Makptee, Nagpur – 441002, Maharashtra, India
Palathayi Cheriath Ramchandran	Independent Director	07575222	Plot no. 57/C, Flat No. T2/T3, Shivam Apartment, Near SBI Bank Trimurti Nagar, Ranapratap Nagar, Nagpur – 440022, Maharashtra, India

For further details of our Board of Directors, see the chapter titled ‘*Our Management*’ beginning on page 77.

Chief Financial Officer

Mr. Sumit Chandrashekhhar Gaidhane	
Address	: Plot No. 23, Shrikrishna Nagar, Wathoda layout, Near Shrikrishna Mandir, Hanuman Nagar S.O., Nagpur - 440009
Contact No.	: : +91-9860369406
E-mail	: sumitgaidhane@emkaytaps.com

Company Secretary & Compliance Officer

Mrs. Riya Sarang Agrawal	
Address	: 102, Rajat Hills, Amravati Road, kachimet, Next to ICAR, Nagpur – 440033
Contact No.	: +91-97300 00494
E-mail	: companysecretary@emkaytoolsltd.com

Registrar and Share Transfer Agent

Bigshare Services Private Limited	
Address	: Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093.
Contact No.	: +91 022-62638200/22
E-mail	: investor@bigshareonline.Com
Website	: www.bigshareonline.com
Contact Person	: Mr. Jibu John
SEBI Registration Number	: INR000001385

Statutory Auditor

P. S. Thakare & Co., Chartered Accountants	
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Address	: Indo Unique Plaza, Opp. Bele Petrol Pump, VIP Road, Civil Lines, Nagpur – 440001, Maharashtra, India
Contact No.	: 0712 – 2520280, 6466032
E-mail	: psthakare20@gmail.com / thakareps@rediffmail.com
Website	: https://www.psthakareandco.com/
Contact Person	: CA B.S.Thakare
FRN	: 128572W
Peer Review No.	: 014378

Banker to the Company

ICICI Bank Limited	
Address	: Hingna Branch, Plot No.2, Near Shri Krishna Restaurant, Hingna Road, Dist Hingna, Maharashtra 440016
Contact No.	: 9872509694
E-mail	: Mamta.date@icicibank.com
Contact Person	: Mamta Date
Website	: www.icicibank.com

Changes in auditors

There has been no change in statutory auditors of our Company since its incorporation.

Authority for Listing

In accordance with the Scheme of Arrangement, the Equity Shares of our Company issued pursuant to the Scheme of Arrangement and shall be listed and admitted to trading on EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE). Such listing and admission for trading is not automatic and will be subject to relaxation under Rule 19(2)(b) of the SCRR being granted by SEBI and fulfilment of listing criteria as specified by NSE EMERGE by our Company.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter II and Chapter III of the SEBI ICDR Regulations are not applicable. SEBI has, vide its Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 and Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (the “**SEBI Circulars**”) subject to certain conditions, permitted unlisted issuer companies to make an application for relaxation from the strict enforcement of Rule 19(2)(b) of SCRR. Our Company has submitted Draft Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable, to NSE EMERGE for making the Draft Information Memorandum available to public through their website at www.nseindia.com. Also, our Company has made the Draft Information Memorandum available on its website at <https://emkaytoolsltd.com>. Our Company will publish an advertisement in the newspapers containing its details as per the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 with the details required in terms of Annexure I Part III (A) para 2 sub - clause 5.

Prohibition by SEBI

The Company, its Promoters, its Directors and members of the Promoter Group have not been prohibited from accessing the capital market under any order or directions passed by SEBI.

General Disclaimer from Company

Our Company accepts no responsibility for any statement made otherwise than in this Draft Information Memorandum or in the advertisement to be published in terms of the SEBI Circular, or any other material issued by or at the instance of Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

The Company has nominated NSE EMERGE as Designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has received relaxation from SEBI from strict enforcement of Rule 19(2)(b) of the SCRR on [•]. Further, the Company has received in-principle approvals from NSE EMERGE on [•] for listing of equity shares.

CAPITAL STRUCTURE

EQUITY SHARE CAPITAL

The share capital of our Company, prior to the Effective Date is set out below:

Particulars	Amount (in ₹)
Authorised Share Capital	
1,25,00,000 equity shares of ₹ 1/- each	1,25,00,000
Issued, Subscribed and paid-up share capital	
1,00,000 equity shares of ₹ 1/- each	1,00,000

The share capital of our Company, post the Effective Date is set out below:

Particulars	Amount (in ₹)
Authorised Share Capital	
1,25,00,000 equity shares of ₹ 1/- each	1,25,00,000
Issued, Subscribed and paid-up share capital	
1,06,71,300 equity shares of ₹ 1/- each	1,06,71,300

NOTES TO CAPITAL STRUCTURE

1. Details of changes in authorised share capital of our company since incorporation:

Our Company was incorporated with an authorized share capital of ₹ 15,00,000 divided into 1,50,000 Equity Shares of ₹ 10/- each and the details of changes in the authorized share capital of our Company post incorporation are set forth below:

Effective Date	AGM/EGM/ Postal Ballot	Particulars of Change
May 25, 2023	EGM	Sub Division of Authorised share capital of the Company from ₹ 15,00,000 divided into 1,50,000 Equity Shares of ₹ 10/- each to ₹ 15,00,000 divided into 15,00,000 Equity Shares of ₹ 1/- each.
May 25, 2023	EGM	Increase in the Authorised Share Capital of the Company from ₹ 15,00,000 divided into 15,00,000 Equity Shares of ₹ 1/- each to ₹ 1,25,00,000 divided into 1,25,00,000 Equity Shares of ₹ 1/- each.

2. History of Equity Share Capital of Our Company

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Premium (₹)	Mode of Allotment	Form of Consideration	Cumulative No. of Shares	Cumulative paid up capital (₹)
April 25, 2023	10,000	10/-	-	Initial Subscription to the MOA ⁽¹⁾	Cash	10,000	1,00,000

Split/ sub-division of 10,000 Equity Shares of the Company from face value of ₹ 10/- to face value of ₹ 1/- per equity shares on May 25, 2023

Cancellation of 1,00,000 Equity Shares pursuant to Scheme of Arrangement sanctioned by NCLT on effective date i.e., November 19, 2024

September 05, 2024	1,06,71,300	1/-	-	Pursuant to Scheme of Arrangement ⁽²⁾	Other than Cash	1,06,71,300	1,06,71,300
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(1) Initial Subscription of the MOA for the total of 10,000 Equity Shares by Emkay Taps and Cutting Tools Limited (9,994 Equity Shares) and Alka Ajayprakash Kanoria, Apoorvashree Kanoria, Anandita Kanoria, Vishnu Kothiramji Sontakke, Hemangi Sameer Joshi, Satish Keshavrao Shesh (1 equity share each) as a nominee of Emkay Taps and Cutting Tools Limited.

(2) 1,06,71,300 Equity shares of face value of ₹1 each allotted to the shareholders of Emkay Taps and Cutting Tools Limited pursuant to the Scheme of Arrangement amongst the Company, Emkay Taps and Cutting Tools Limited and Emkay Tools Limited, their respective shareholders.

3. Shares issued for consideration other than cash or out of revaluation reserves

- The Company has not issued any shares out of its revaluation reserves since its incorporation.
- Except as stated below, the Company has not allotted any shares for consideration other than cash, as on the date of this Draft Information Memorandum.

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price (₹)	Reason/ Nature of allotment	Details of benefits accrued to the Company, if any
December 05, 2024	1,06,71,300	1/-	-	Pursuant to Composite Scheme of Arrangement	-

4. Issue of Equity Shares pursuant to Scheme

Except as stated above, the Company has not allotted any Equity Shares pursuant to a scheme, as on the date of this Draft Information Memorandum.

For further details of the Scheme, see 'Objects and Rational of the Scheme' on page 38 of this Draft Information Memorandum.

5. Shareholding pattern of the Company prior and post Scheme

a) The Shareholding pattern of the Company, prior to the allotment of equity shares, under the Scheme, is as under:

Table I - SUMMARY STATEMENT HOLDING OF SPECIFIED SECURITIES																		
Category (I)	Category of shareholder (II)	No of Share holders (III)	No. of fully paid up equity Share held (IV)	No. of Partly paid-up equity Share held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculate as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities(as a % of diluted share capital) (XI)=(VII)+(X) As a % of	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. total shares held (a)	No. total shares held (b)	No. total shares held (a)		No. total shares held (b)
								Class Equity	Class Others	Total								
(A)	Promoter & Promoter Group	7*	1,00,000	-	-	1,00,000	100%	1,00,000	-	1,00,000	100%	-	100%	-	-	-	-	1,00,000
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		7*	1,00,000	-	-	1,00,000	100%	1,00,000	-	1,00,000	100%	-	100%	-	-	-	-	1,00,000

* Includes 6 nominees holding 1 equity share each jointly with Emkay Taps and Cutting Tools Limited. The beneficial interest was with Emkay Taps and Cutting Tools Limited.

b) The Shareholding pattern of the Company, post allotment of Equity Shares, under the Scheme is as under:

Table I - SUMMARY STATEMENT HOLDING OF SPECIFIED SECURITIES																		
Category (I)	Category of shareholder (II)	No of Share holders (III)	No. of fully paid up equity Share held (IV)	No. of Partly paid- up equity Share held (V)	No. of shares underl ying Deposi tory Receip ts (VI)	Total nos. shares held (VII)= (IV)+(V)+ VI	Sharehold ing as a % of total no. of shares (calculate d as per SCRR, (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities(as a % of diluted share capital) (XI)= (VII)+(X) As a % of	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in demateriali zed form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total share s held (b)
								Class Equity	Class Others	Total								
(A)	Promoter & Promoter Group	6	80,02,800	-	-	80,02,800	74.99	80,02,800	-	80,02,800	74.99	-	74.99	-	-	-	-	80,02,800
(B)	Public	658	26,68,500	-	-	26,68,500	25.01	26,68,500	-	26,68,500	25.01	-	25.01	-	-	-	-	26,68,500
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	664	1,06,71,30 0	-	-	1,06,71,30 0	100	1,06,71,3 00	-	1,06,71,30 0	100	-	100	-	-	-	-	1,06,71,300

6. Major Shareholders of the Company two years prior to date of this Draft Information Memorandum

As our Company was incorporated on April 25, 2023, there were no shareholders 2 (two) years prior to the date of this Memorandum.

7. Major Shareholders of the Company one year prior to the date of this Draft Information Memorandum

Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of the Company, on a fully diluted basis as of one years prior to the date of this Draft Information Memorandum:

Sr. No.	Name of the Shareholder	No. of Shares held	% of total equity share capital
1.	Emkay Taps And Cutting Tools Limited (including shares held by 6 (six) nominee shareholders)	1,00,000	100.00%
Total		1,00,000	100.00%

8. Major Shareholders of the Company 10 days prior to the date of this Draft Information Memorandum

Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of the Company, on a fully diluted basis as of ten days prior to the date of this Draft Information Memorandum:

Sr. No.	Name of the Shareholder	No. of Shares held	% of total equity share capital
1.	Ajayprakash Murlidhar Kanoria HUF	43,53,960	40.80%
2.	Nagpur Tools Private Limited	18,93,600	17.74%
3.	Alka Ajayprakash Kanoria	11,24,190	10.53%
4.	Sudarshan Trading and Manufacturing Private Limited	10,73,250	10.06%
5.	Rahim Mansoor Khan	8,19,900	7.68%
6.	Ajayprakash Murlidhar Kanoria	6,28,050	5.89%
Total		98,92,950	92.70%

9. Major Shareholders of the Company as on the date of this Draft Information Memorandum

Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of the Company, as on date of this Draft Information Memorandum:

Sr. No.	Name of the Shareholder	No. of Shares held	% of total equity share capital
1.	Ajayprakash Murlidhar Kanoria HUF	43,53,960	40.80%
2.	Nagpur Tools Private Limited	18,93,600	17.74%

3.	Alka Ajayprakash Kanoria	11,24,190	10.53%
4.	Sudarshan Trading and Manufacturing Private Limited	10,73,250	10.06%
5.	Rahim Mansoor Khan	8,19,900	7.68%
6.	Ajayprakash Murlidhar Kanoria	6,28,050	5.89%
	Total	98,92,950	92.70%

10. Details of Equity Shares held by the Directors/ Key Managerial Personnel of the Company

Set forth below are the Directors/ KMPs of the Company holds Equity Shares in the Company as on the date of this Draft Information Memorandum.

Sr. No.	Name of the Shareholder	No. of Shares held	% of total equity share capital
1.	Mr. Ajayprakash Kanoria	6,28,050	5.89%
2.	Mrs. Alka Kanoria	11,24,190	10.53%
3.	Mr. Ravindra Ramesh Loiya	14,400	0.13%
	Total	17,66,640	16.55%

11. Details of Equity Shares held by the Promoter and Promoter Group

As on the date of this Draft Information Memorandum, our Promoters and Promoter Group are holding 80,02,800 fully paid-up Equity Shares comprising of 74.99% of the total paid-up capital of our Company. The equity shares were allotted on December 05, 2024 pursuant to Scheme of Arrangement.

Sr. No.	Name of the Shareholder	No. of Shares held	% of total equity share capital
(A) Promoter			
1.	Ajayprakash Murlidhar Kanoria HUF	43,53,960	40.80%
2.	Alka Ajayprakash Kanoria	11,24,190	10.53%
3.	Ajayprakash Murlidhar Kanoria	6,28,050	5.89%
4.	Apoorvashree A Kanoria	1,500	0.01%
	Total (A)	61,07,700	57.23%
(B) Promoter Group			
5.	Nagpur Tools Private Limited	18,93,600	17.74%
6.	Adishree Engineering Private Limited	1,500	0.01%
	Total (B)	18,95,100	17.75%
	Total (A) + (B)	80,02,800	74.99%

12. As on the date of this Draft Information Memorandum, none of the Equity Shares held by our Promoter are pledged.

13. Except for the Equity Shares allotted under the Scheme of Arrangement the Promoter, the Promoter Group, the Directors of the Company and their relatives have not purchased or sold any Equity

Shares during the period of six months immediately preceding the date of this Draft Information Memorandum.

14. All the Equity Shares of our Company are fully paid up as on the date of this Draft Information Memorandum.
15. The Company does not have any Employee stock option scheme (“ESOP”)/ Employee Stock purchase scheme (“ESPS”) for our employees. As and when any ESOP/ ESPS scheme is adopted by the Company and options are granted to our employees under the ESOP/ESPS scheme, the Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
16. Except to the extent required to comply with applicable law, the Company, presently, does not intend nor does it propose to alter its capital structure for a period of 6 (six) months from the date of this Draft Information Memorandum, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, for the purposes for meeting growth capital requirements of the Company and/or its Subsidiaries/Joint Venture or for acquisitions, joint ventures, other arrangements, the Company may, subject to necessary approvals, raise capital by further issue of equity shares and/or other securities through any mode available under applicable law.
17. Our Company has not issued any Equity Shares out of revaluation of reserves or unrealized profits.
18. Our Promoter, Promoter Group, our Directors and their relatives have not financed the purchase, by any other person, of securities of the Company during the period of six months immediately preceding the date of this Draft Information Memorandum.
19. There is no lead manager appointed in relation to the listing of the Equity Shares, thereby the disclosure requirement to disclose the shareholding of the lead manager and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) in the Company is not applicable.
20. As on the date of this Draft Information Memorandum, there are no outstanding warrants, options or convertible securities, including any outstanding warrant or rights to convert debentures, loans, or other instruments into Equity Shares.
21. Except the allotment of the Equity Shares pursuant to the Scheme of Arrangement, no Equity Shares have been allotted pursuant to a scheme approved under Sections 391-394 of the Companies Act, 1956 or Sections 230 to 232 of the Companies Act, 2013.
22. The Company and our Directors have not entered into any buy-back, standby, or similar arrangements to purchase Equity Shares of the Company from any person, in relation to the proposed listing of the Equity Shares of the Company.
23. There shall be only one denomination of Equity Shares of the Company, subject to applicable regulations and the Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.

24. The Company has 664 Shareholders (consolidated based on PAN) as on date of filing of this Draft Information Memorandum.

OBJECTS AND RATIONALE OF THE SCHEME

Details of the Scheme

Pursuant to Scheme of Arrangement (“the Scheme”),

The demerger of the Demerged Undertaking (as 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 shares of the Resulting Company to the Shareholders of “Emkay Taps And Cutting Tools Limited”.

The Scheme also provides for various other matters consequent and incidental thereto.

The Scheme is divided into the following parts: 1) **Part I:** deals with the definitions, interpretations and the share capital; 2) **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 3) **Part III:** deals with the general terms and conditions that would be applicable to the Scheme.

Rationale for the Scheme

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 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.

Appointed Date and Effective Date for the Scheme

“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 the Scheme.

“Effective Date” means the last of the dates on which all the conditions and matters referred to in Clause 18 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme. References in the Scheme to “*coming effect of the Scheme*” or “*effectiveness of the Scheme*” or “*Scheme becoming effective*” shall mean the Effective Date.

Consideration

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 the 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”).

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.

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.

Cancellation of share capital

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.

The cancellation of the equity share capital held by the Demerged Company and its nominees in Resulting Company, in accordance with the Clause 6.1 of the Scheme, shall be effected as an integral part of the Scheme itself and not under a separate procedure, in terms of Section 66 of the Act, and the order of the NCLT sanctioning the 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 the 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.

Approvals with respect to the Scheme

The Scheme was approved by Board of Directors of respective companies at their meetings held on June 29, 2023. Observations letters from NSE in relation to the Scheme were granted vide their letters each dated September 22, 2023. The Scheme was approved by shareholders and creditors at their

meetings held on May 02, 2024. Further, Hon'ble NCLT has, vide an order dated October 28, 2024 (certified true copy of the order was received November 12, 2024), sanctioned the Scheme.

In accordance with the said Scheme, the Equity Shares of our Company shall be listed and admitted to trading on NSE Emerge. Such listing and admission for trading is not automatic and will be subject to SEBI granting relaxation under Rule 19(2)(b) of the SCRR and compliance with the requirements of SEBI Circular and fulfilment of listing criteria by our Company as specified by NSE for such listing and also subject to such other terms and conditions as may be prescribed by NSE at the time of the application for listing by our Company.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS



P. S. Thakare & Co.
CHARTERED ACCOUNTANTS

- Nagpur : Indo Unique Plaza, Opp. Bole Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001. (Maharashtra) INDIA Tel. : 0712 - 2520280 Fax : 0712-2532820
 - Mumbai : 314/347, "Minad", 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
B-27 & B-27/1,
MIDC Industrial Area,
Hingna Road, Nagpur-440016

Dear sir/madam,

Subject: Proposed listing of equity shares of Emkay Tools Limited ("ETL" or "the Company") on National Stock Exchange of India Limited pursuant to a Scheme of Arrangement.

We hereby confirm that the enclosed Annexure, Prepared by ETL sets out the possible tax benefits available to the Company and the shareholders of the Company under the provisions of the applicable direct and indirect tax-laws, as amended and read with rules, circulars and notifications, applicable for the financial year 2024-25.

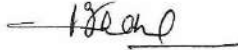
The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, and to the shareholders of the Company. Further any benefits available under any laws within or outside India have not been covered by this statement.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the shareholders and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the Individual nature of tax consequences, the changing tax laws, each shareholder is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of investment in shares of ETL.

Our confirmation is based on the existing provisions of law and our interpretation of the same, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

This confirmation letter is addressed to and is provided to enable the Board of Directors of the company to include this report in the Information Memorandum to be filed by the Company with Securities and Exchange Board of India and the concerned Stock Exchange(s) in connection with the proposed listing.

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



B. S. Thakare
Partner
Membership No. 127522
UDIN: 24127522BKDHDF7688



Place: Nagpur
Date: 30/10/2024

Enclosed: Annexure 1 & 2



- 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

ANNEXURE 1

STATEMENT OF SPECIAL DIRECT TAX BENEFITS AVAILABLE TO EMKAY TOOLS LIMITED AND ITS SHAREHOLDERS

1. UNDER THE INCOME TAX ACT, 1961 (herein referred to as "the Act")

A. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

(1) Lower corporate tax rate under section 115BAA of the Act

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019. Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a Company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess). Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profit' under section 115JB of the Act.

However, such a company will no longer be eligible to avail certain specified exemptions / incentives under the Act and will also need to comply with certain other conditions specified in section 115BAA of the Act. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it was entitled to on account of MAT paid in the earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

B. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS UNDER THE ACT

There are no special direct tax benefits available to the shareholders of the Company.





- Nagpur : Indo Unique Plaza, Opp. Bole Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001. (Maharashtra) INDIA Tel. : 0712 - 2520280 Fax : 0712-2532820
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ANNEXURE 2

STATEMENT OF SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO EMKAY TOOLS LIMITED AND ITS SHAREHOLDERS

2. The Central Good and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act") / respective State Goods and Services Tax Act ("SGST") read with rules, circulars, and notifications ("GST law"), the Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Tariff Act"), the Foreign Trade Policy 2023 ("FTP") as applicable from the Financial Year 2022-23, presently in force in India (collectively referred as "Indirect Tax")

A. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special indirect tax benefits available to the Company.

B. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

There are no special indirect tax benefits available to the shareholders investing in the shares of the Company.



SECTION V – ABOUT US

INDUSTRY OVERVIEW

The information presented in this chapter has been obtained from various publicly available sources, including industry websites and publicly available industry reports. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness, and underlying assumptions are not guaranteed, and their reliability cannot be assured.

Accordingly, none of our Company or any person associated with our Company, has independently verified this information or takes any responsibility for the data, projections, forecasts, conclusions, or any other information contained in this section. Industry sources and publications are also prepared on information as on specific dates and may no longer be current or reflect market trends. Accordingly, you should not place undue reliance on, or base any investment decisions on, this information.

ECONOMIC OUTLOOK

GLOBAL ECONOMIC OUTLOOK

Global growth is projected to stabilize at 2.6 percent this year, holding steady for the first time in three years despite flaring geopolitical tensions and high interest rates. It is then expected to edge up to 2.7 percent in 2025-26 amid modest growth in trade and investment. Global inflation is projected to moderate—but at a slower clip than previously assumed, averaging 3.5 percent this year. Given continued inflationary pressures, central banks in both advanced economies and emerging market and developing economies (EMDEs) will likely remain cautious in easing monetary policy. As such, average benchmark policy interest rates over the next few years are expected to remain about double the 2000-19 average.

Despite an improvement in near-term growth prospects, the outlook remains subdued by historical standards in advanced economies and EMDEs alike. Global growth over the forecast horizon is expected to be nearly half a percentage point below its 2010-19 average pace. In 2024-25, growth is set to underperform its 2010s average in nearly 60 percent of economies, representing more than 80 percent of global population and world output. EMDE growth is forecast to moderate from 4.2 percent in 2023 to 4 percent in both 2024 and 2025. Prospects remain especially lackluster in many vulnerable economies—over half of economies facing fragile- and conflict-affected situations will still be poorer by the end of this year than on the eve of the pandemic.

Global risks remain tilted to the downside despite the possibility of some upside surprises. Escalating geopolitical tensions could lead to volatile commodity prices, while further trade fragmentation risks additional disruptions to trade networks. Already, trade policy uncertainty has reached exceptionally high levels compared to other years that have featured major elections around the world since 2000. The persistence of inflation could lead to delays in monetary easing. A higher-for-longer path for interest rates would dampen global activity. Some major economies could grow more slowly than currently anticipated due to a range of domestic challenges. Additional natural disasters related to climate change could also hinder activity. On the upside, global inflation could moderate more quickly than assumed in the baseline, enabling faster monetary policy easing. In addition, growth in the United States could be stronger than expected.

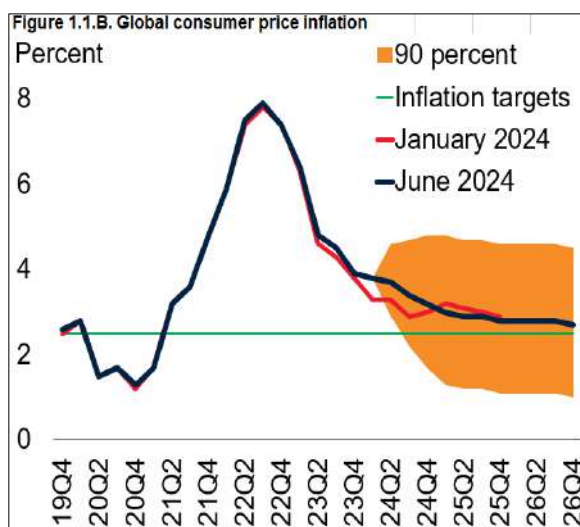
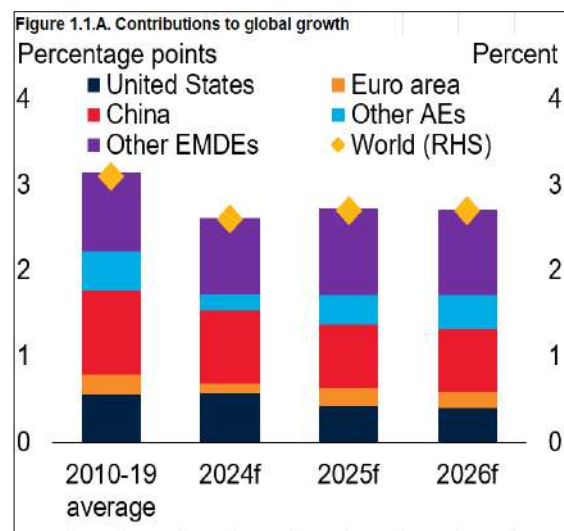
Comprehensive fiscal reforms are essential to address the fiscal challenges confronting small states. First, small states' revenues, which are highly volatile, should be drawn from a more stable and secure

tax base. Second, spending efficiency needs to be improved. These changes should be complemented by reforms to fiscal frameworks, including better utilization of fiscal rules and sovereign wealth funds. Finally, the global community can bolster funding for small states to invest in climate change resilience and adaptation, and other priority areas, including technical assistance in fiscal policy and debt management.

GLOBAL PROSPECTS

The global economy is stabilizing but the outlook remains subdued—both advanced economies and EMDEs are projected to grow at a slower pace over 2024-26 than in the pre-pandemic decade. Recent upward pressures on global core inflation are anticipated to gradually ease, such that headline inflation converges to levels broadly consistent with central bank targets by 2026. Market expectations for the path of U.S. policy rates have been repeatedly revised higher. Amid elevated borrowing costs, about two-fifths of EMDEs are acutely vulnerable to debt stress. In 2024-25, growth is expected to underperform its 2010-19 average in countries comprising more than 80 percent of global output and population. The multiple shocks of recent years have impeded per capita income catch-up, with almost half of EMDEs losing ground relative to advanced economies over 2020-24.

The global economy is stabilizing, following several years of overlapping negative shocks. Despite elevated financing costs and heightened geopolitical tensions, global activity firmed in early 2024. Global growth is envisaged to reach a slightly faster pace this year than previously expected, due mainly to the continued solid expansion of the U.S. economy. However, the extent of expected declines in global interest rates has moderated amid lingering inflation pressures in key economies. By historical standards, the global outlook remains subdued: both advanced economies and emerging market and developing economies (EMDEs) are set to grow at a slower pace over 2024-26 than in the decade preceding the



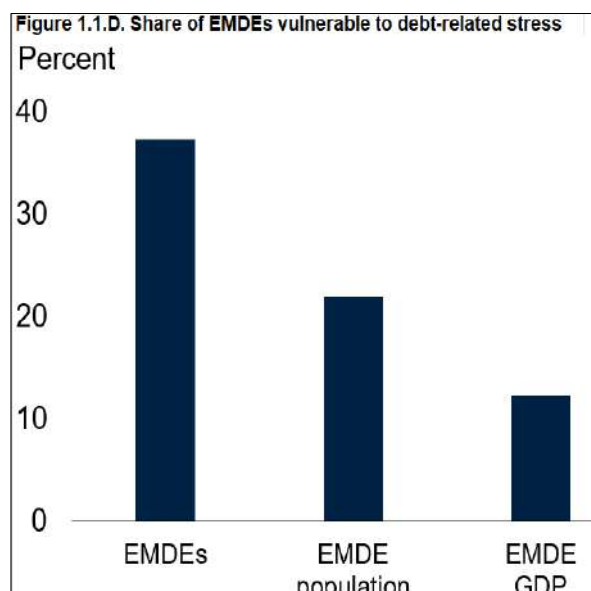
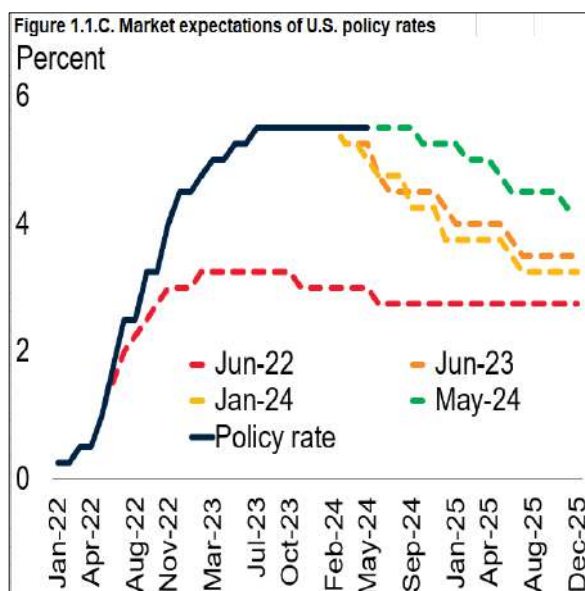
pandemic (figure 1.1.A).

Inflation continues to wane globally, making progress toward central bank targets in advanced economies and EMDEs, but at a slower pace than previously expected. Core inflation has remained stubbornly high in many economies, supported by rapid growth of services prices. Over the remainder of 2024, continued tight monetary policy stances and slowing wage increases should help reduce inflation further. By the end of 2026, global inflation is expected to settle at an average rate of 2.8 percent, broadly consistent with central bank targets (figure 1.1.B).

The anticipated extent of monetary easing in advanced economies this year has diminished substantially since late 2023—by more than a percentage point in the case of the United States. Expected policy rate paths diverge across major economies, as the European Central Bank proceeds with policy easing while

the U.S. Federal Reserve keeps rates on hold for longer. Indeed, aside from short-term fluctuations, market expectations for the path of U.S. interest rates have repeatedly moved higher since 2022 (figure 1.1.C). Despite this market reassessment, global financial conditions have eased this year, reflecting solid risk appetite following last year’s progress on disinflation and diminished concerns about the possibility of a sharp slowdown in global growth. In particular, global equity markets have made sizable gains.

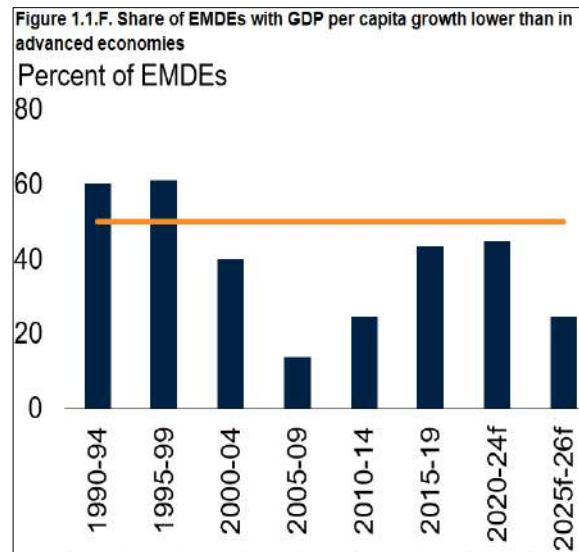
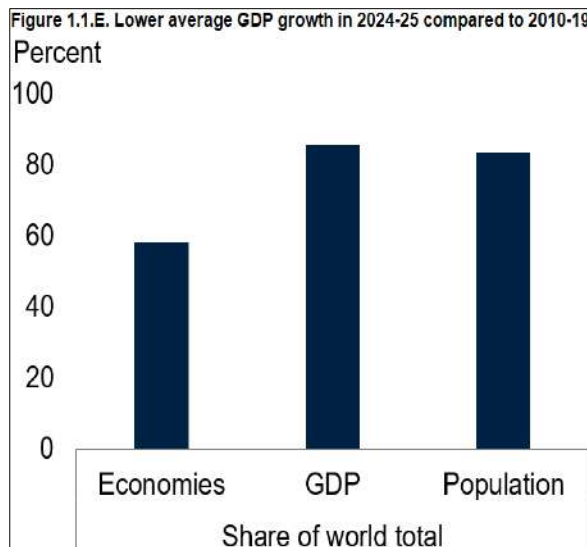
EMDE financial conditions similarly became more accommodative early this year, aided by declining domestic policy rates, improving global sentiment, and expected easing of advanced economy monetary conditions. EMDE conditions turned somewhat less accommodative in the second quarter, as a strengthening of the U.S. dollar—prompted by geopolitical tensions and firm inflation data in the United States—coincided with a bout of capital outflows. Although market perceptions of sovereign credit risk have generally eased this year, EMDE borrowing costs continue to be high, and marked divergences persist. Indeed, credit ratings and debt sustainability analyses indicate that about 40 percent of EMDEs remain acutely vulnerable to debt-related stress (figure 1.1.D).



Against this backdrop, global growth is expected to remain subdued at 2.6 percent in 2024—unchanged from the previous year—reflecting tepid investment growth amid broadly restrictive monetary policies, and moderating consumption growth, in part because of receding savings buffers and diminishing fiscal support. Growth is projected to edge up to an average of 2.7 percent in 2025-26, as trade growth strengthens and broad but measured monetary policy easing supports activity in both advanced economies and EMDEs.

Across the forecast horizon, global growth remains lackluster by recent historical standards, at about 0.4 percentage point below the 2010-19 average. In 2024-25, growth is set to underperform its average pace in the 2010s in nearly 60 percent of economies, representing more than 80 percent of global output and population (figure 1.1.E). The subdued outlook—despite the anticipated moderation of various cyclical headwinds—underscores a secular deceleration of potential growth in many large economies. Relative to prepandemic norms, growth has weakened notably in countries that experienced high rates of inflation, much of which emanated from shocks to supply chains and commodity prices. Yet this trend is set to continue in the coming years, suggesting potentially enduring supply-side weakness.

Growth in EMDEs is forecast to hover around 4 percent a year over 2024-26. Growth in China is expected to slow this year and ease further in 2025 and 2026, with cyclical headwinds weighing on growth in the near term, along with a continuing structural slowdown. Excluding China, EMDE growth is projected to edge up to 3.5 percent this year and then firm to an average of 3.9 percent in 2025-26. In many EMDEs, this pickup reflects improving domestic demand, supported by receding inflation and easing financial conditions, and a cyclical rebound in trade, reflecting firming demand from some advanced economies. Across EMDE regions, the outlook is expected to diverge somewhat, with growth forecast to be weaker than the 2010-19 average in East Asia and Pacific, Europe and Central Asia, and South Asia, but broadly returning to pre-pandemic averages in most other regions over 2025-26.



GDP per capita in EMDEs is forecast to grow at about 3 percent on average over 2024-26, well below the average in 2010-19. Excluding China, EMDE per capita GDP growth is forecast to be lower still, averaging 2.5 percent over 2024-26. Some large EMDEs, such as India, are expected to see continued solid per capita growth. Yet the trend of the 2020s so far is one of uneven and limited progress. Nearly half of EMDEs are set to lose ground relative to advanced economies when viewed over the 2020-24 period (figure 1.1.F). Although this trend is expected to improve somewhat over 2025-26 in EMDEs as a whole, per capita growth is set to remain stagnant in many LICs and FCS.

Real GDP

(Percent change from previous year unless indicated otherwise)

Percentage point
differences from January
2024 projections

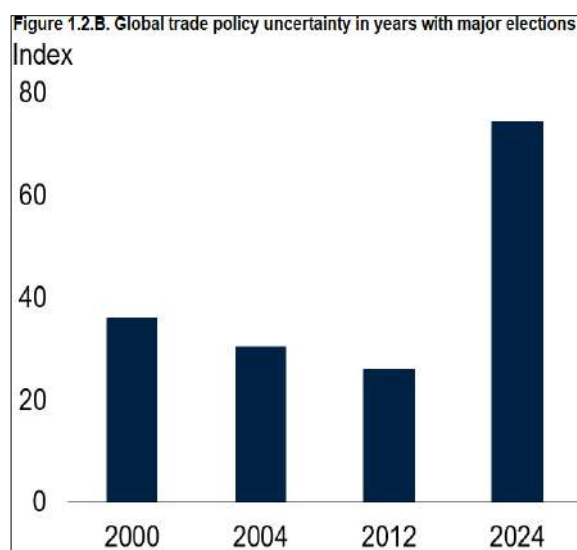
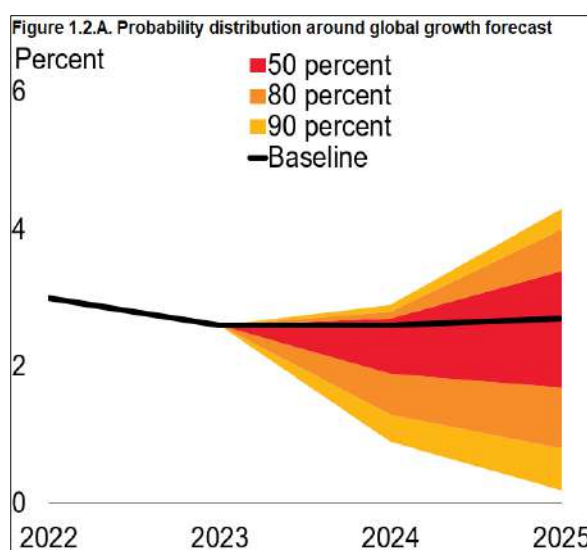
	2021	2022	2023e	2024f	2025f	2026f	2024f	2025f
World	6.3	3.0	2.6	2.6	2.7	2.7	0.2	0.0
Advanced economies	5.5	2.6	1.5	1.5	1.7	1.8	0.3	0.1
United States	5.8	1.9	2.5	2.5	1.8	1.8	0.9	0.1
Euro area	5.9	3.4	0.5	0.7	1.4	1.3	0.0	-0.2
Japan	2.6	1.0	1.9	0.7	1.0	0.9	-0.2	0.2
Emerging market and developing economies	7.3	3.7	4.2	4.0	4.0	3.9	0.1	0.0
East Asia and Pacific	7.6	3.4	5.1	4.8	4.2	4.1	0.3	-0.2
China	8.4	3.0	5.2	4.8	4.1	4.0	0.3	-0.2
Indonesia	3.7	5.3	5.0	5.0	5.1	5.1	0.1	0.2
Thailand	1.6	2.5	1.9	2.4	2.8	2.9	-0.8	-0.3
Europe and Central Asia	7.2	1.6	3.2	3.0	2.9	2.8	0.6	0.2
Russian Federation	5.9	-1.2	3.6	2.9	1.4	1.1	1.6	0.5
Türkiye	11.4	5.5	4.5	3.0	3.6	4.3	-0.1	-0.3
Poland	6.9	5.6	0.2	3.0	3.4	3.2	0.4	0.0
Latin America and the Caribbean	7.2	3.9	2.2	1.8	2.7	2.6	-0.5	0.2
Brazil	4.8	3.0	2.9	2.0	2.2	2.0	0.5	0.0
Mexico	6.0	3.7	3.2	2.3	2.1	2.0	-0.3	0.0
Argentina	10.7	5.0	-1.6	-3.5	5.0	4.5	-6.2	1.8
Middle East and North Africa	6.2	5.9	1.5	2.8	4.2	3.6	-0.7	0.7
Saudi Arabia	4.3	8.7	-0.9	2.5	5.9	3.2	-1.6	1.7
Iran, Islamic Rep. ²	4.7	3.8	5.0	3.2	2.7	2.4	-0.5	-0.5
Egypt, Arab Rep. ²	3.3	6.6	3.8	2.8	4.2	4.6	-0.7	0.3
South Asia	8.6	5.8	6.6	6.2	6.2	6.2	0.6	0.3
India ²	9.7	7.0	8.2	6.6	6.7	6.8	0.2	0.2
Bangladesh ²	6.9	7.1	5.8	5.6	5.7	5.9	0.0	-0.1
Pakistan ²	5.8	6.2	-0.2	1.8	2.3	2.7	0.1	-0.1
Sub-Saharan Africa	4.4	3.8	3.0	3.5	3.9	4.0	-0.3	-0.2
Nigeria	3.6	3.3	2.9	3.3	3.5	3.7	0.0	-0.2
South Africa	4.7	1.9	0.6	1.2	1.3	1.5	-0.1	-0.2
Angola	1.2	3.0	0.9	2.9	2.6	2.4	0.1	-0.5
Memorandum items:								
Real GDP¹								
High-income countries	5.5	2.8	1.5	1.6	1.9	1.9	0.3	0.1
Middle-income countries	7.5	3.5	4.5	4.1	4.0	4.0	0.1	0.0
Low-income countries	4.1	5.0	3.8	5.0	5.3	5.5	-0.5	-0.3
EMDEs excluding China	6.5	4.3	3.4	3.5	4.0	3.9	0.0	0.2
Commodity-exporting EMDEs	5.8	3.4	2.6	2.8	3.4	3.2	-0.1	0.3
Commodity-importing EMDEs	8.0	3.9	4.9	4.7	4.3	4.3	0.3	-0.1
Commodity-importing EMDEs excluding China	7.3	5.3	4.5	4.4	4.6	4.7	0.2	0.1
EM7	7.8	3.3	5.1	4.5	4.0	4.0	0.4	-0.1
World (PPP weights) ³	6.6	3.3	3.1	3.1	3.2	3.2	0.2	0.1
World trade volume⁴	11.2	5.6	0.1	2.5	3.4	3.4	0.2	0.3
Commodity prices⁵								
WBG commodity price index	100.9	142.5	108.0	106.0	102.1	101.5	1.1	-0.1
Energy index	95.4	152.6	106.9	104.0	100.0	99.0	0.6	0.0
Oil (US\$ per barrel)	70.4	99.8	82.6	84.0	79.0	78.1	3.0	1.0
Non-energy index	112.1	122.1	110.2	110.1	106.4	106.6	2.4	-0.2

Source: World Bank.

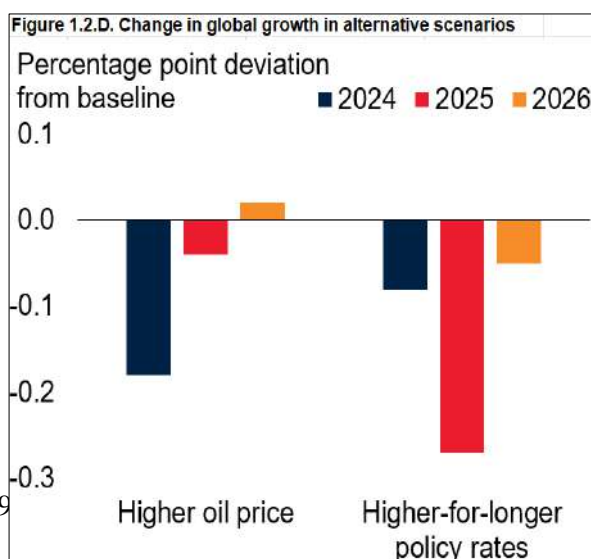
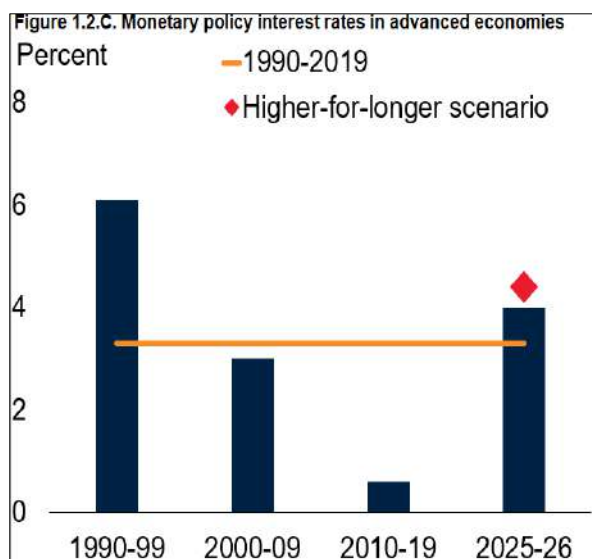
Source: *Global Economic Prospects -- June 2024 (worldbank.org)*

GLOBAL RISKS AND POLICY CHALLENGES

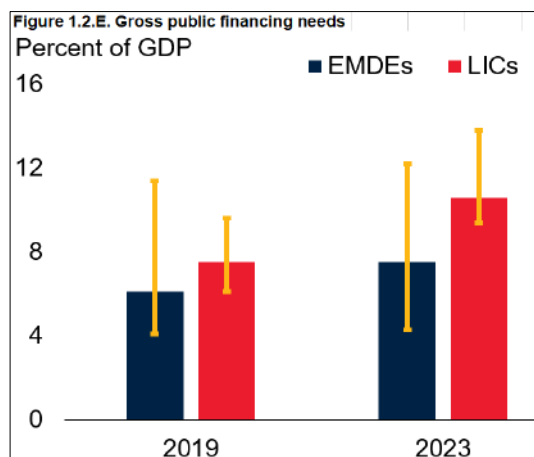
Risks to the outlook have become somewhat more balanced since January, with the global economy thus far proving resilient to high financing costs. However, the balance of risks remains tilted to the downside amid elevated uncertainty (figure 1.2.A). Heightened geopolitical tensions could sharply depress sentiment, disrupt trade and commodity markets, push up inflation, and hurt economic activity; in particular, a conflict-related disruption to global oil supply could push oil prices markedly higher and undermine the disinflation process. Elevated trade policy uncertainty—already at an unusually high level relative to previous years with major elections since 2000—and proliferating trade restrictions could weigh on trade prospects and economic activity (figure 1.2.B). Further trade fragmentation could have adverse global repercussions via declining economic confidence, increasing trade distortions, and related financial market reac



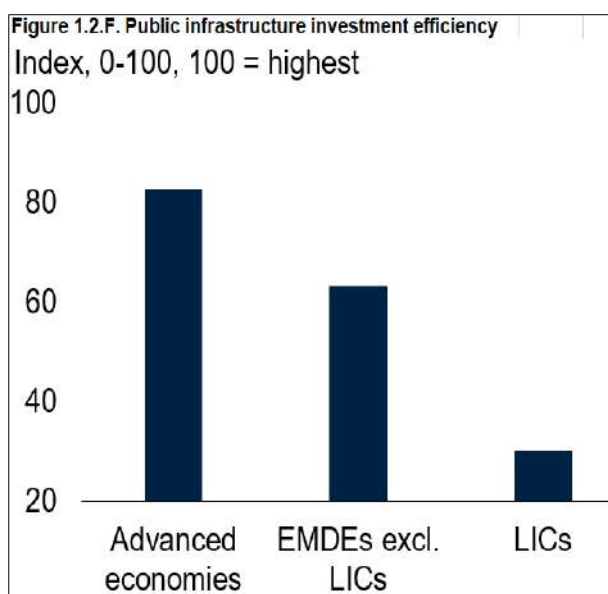
Advanced-economy interest rates are at levels last seen before the 2008-09 global financial crisis, and, in light of persistently above-target inflation and tight labor markets, they are likely to remain high for some time. Over the next couple of years, policy interest rates in advanced economies are expected to be more than double their 2000-19 average (figure 1.2.C). Although the global economy has withstood high interest rates better than was anticipated, interest rate-sensitive components of activity will continue to be restrained. Moreover, if further delays in the disinflation process emerge, policy rate cuts may be postponed. A higher resulting path for interest rates, relative to the baseline, could give rise to markedly tighter financial conditions and significantly weaker global growth (figure 1.2.D).



Policy makers face a range of daunting challenges. Coordinated improvements in debt relief will be necessary to free up resources for growth enhancing investments, particularly in some of the most vulnerable EMDEs, given elevated financing needs (figure 1.2.E). Enhanced international cooperation is needed to tackle the threat of climate change, the fragmentation of trade networks, and mounting food insecurity and conflict. Global cooperation is also essential to leverage the benefits of new technologies such as artificial intelligence (AI), including by tapping AI solutions to address global challenges.



Fiscal space remains narrow in many EMDEs amid weak revenues and elevated debt-servicing costs. Decisive measures will be needed to boost fiscal resources for public investment. These could include



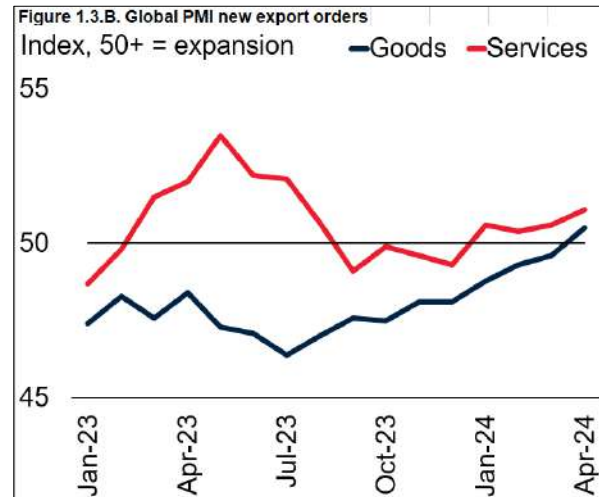
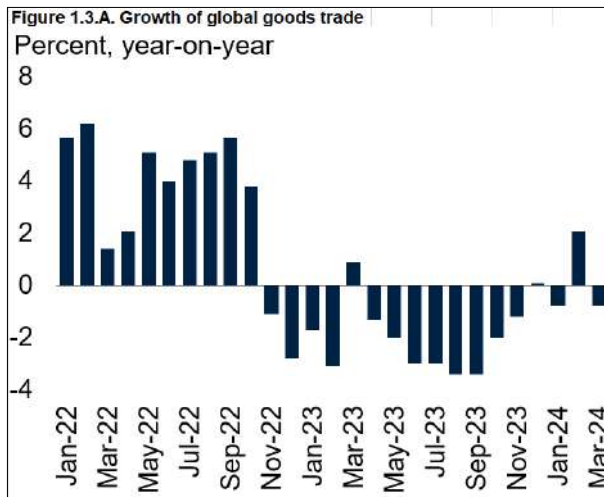
reforms to mobilize domestic revenues, the harnessing of digital technologies to simplify tax payments and records management, and reform of costly and inefficient subsidies. Furthermore, even with increased public resources, improved spending efficiency will be needed to meet a wide range of development challenges. In particular, it is critical to improve infrastructure investment efficiency, where EMDEs significantly lag advanced economies (figure 1.2.F). In the case of small states, elevated exposure to external shocks poses a formidable fiscal challenge, underscoring the need to balance additional investments in human capital and climate-resilient infrastructure with the maintenance of adequate fiscal buffers.

To raise productivity growth, advance prosperity, and address persistent longer-term challenges, policies should aim to increase the scale and efficacy of public investment programs, enhance human capital, address climate change, and confront persistent food insecurity. Additionally, targeted policies are needed to better leverage women’s economic potential and reduce gender discrimination, as well as to address high youth unemployment rates in many EMDEs.

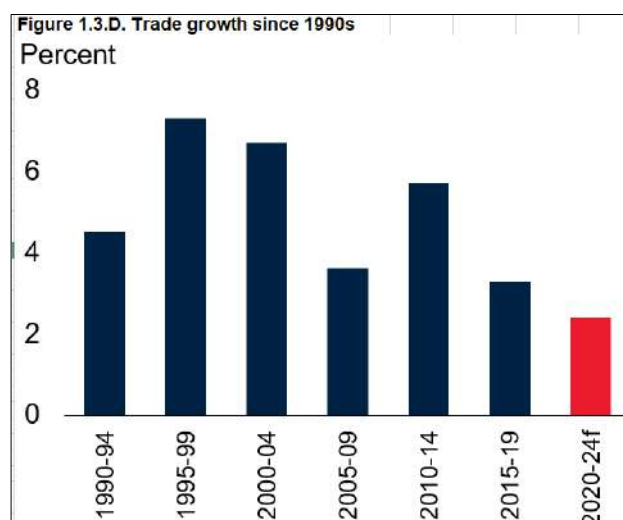
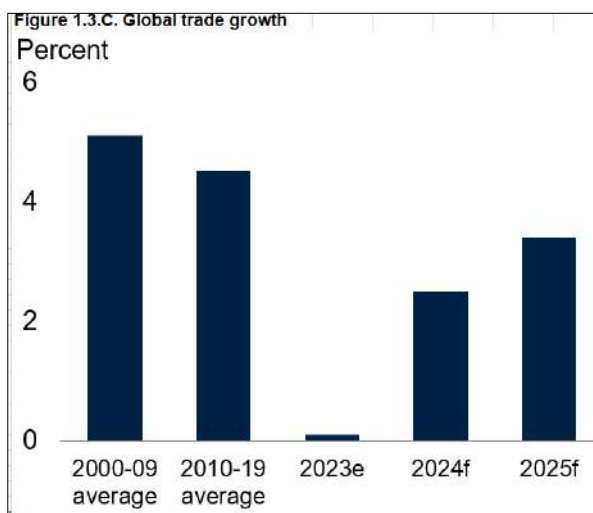
GLOBAL TRADE

Global trade in goods and services was nearly flat in 2023—the weakest performance outside of global recessions in the past 50 years. Amid a sharp slowdown in global industrial production, the volume of goods trade contracted for most of 2023 and fell by 1.9 percent for the year as a whole (figure 1.3.A). The evolution of goods trade diverged across regions, with volumes declining in advanced economies, especially in Europe, and stagnating in EMDEs as expansions in China and Europe and Central Asia (ECA) offset contractions in Latin America and the Caribbean (LAC), Sub-Saharan Africa (SSA), and Middle East and North Africa (MNA).

The value of global services trade grew about 9 percent in 2023, driven primarily by a recovery in tourism flows—exports of travel services surged by about 38 percent (WTO 2024). However, the pace of expansion in tourism was substantially below that in 2022, with recent data indicating tourism activity in line with pre-pandemic levels, suggesting a near-full recovery in most regions. Stabilization in services trade is reflected in the steadying of the global services PMI for new export orders, which has remained closer to neutral thresholds compared to last year (figure 1.3.B).



Global trade growth is projected to pick up to 2.5 percent this year, a significant improvement from last year but well below the average rates observed in the two decades preceding the pandemic (figure 1.3.C). The forecast entails a pickup in goods trade growth after a sluggish start to the year, supported by a rebound in global goods demand as inventory restocking resumes in the United States and the euro area, and as demand from China stabilizes. Meanwhile, services trade growth is expected to stabilize near its pre-pandemic pace. In 2025, trade growth is expected to firm to 3.4 percent, in tandem with a pickup in growth in the euro area and EMDEs excluding China, and remain steady in 2026.



Despite the expected growth in trade this year, by the end of 2024 global trade is set to register the slowest half-decade of growth since the 1990s, mirroring subdued global GDP growth (figure 1.3.D). In the near term, the responsiveness of global trade to global output is likely to remain lower than before the pandemic, reflecting muted investment growth and the recent proliferation of trade restrictions worldwide. The trade outlook is subject to various downside risks, including weaker-than-anticipated global demand, escalating geopolitical tensions, and further disruptions in maritime transport.

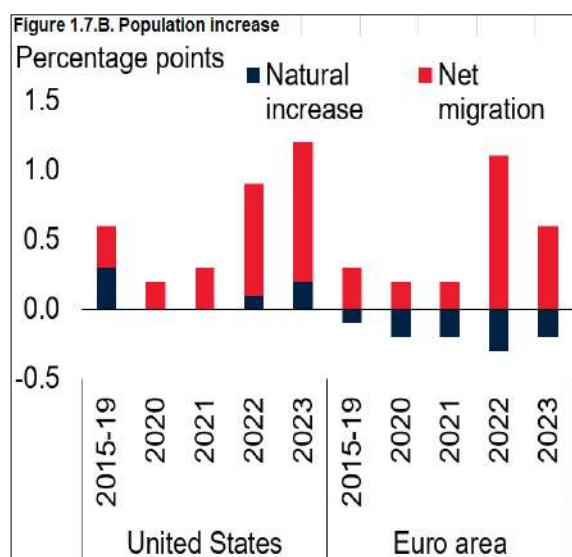
Moreover, with elections taking place in many countries this year, heightened trade policy-related uncertainty and the potential for more inward looking policies could weigh on trade prospects and economic activity.

Source: *Global Economic Prospects -- June 2024 (worldbank.org)*

MAJOR ECONOMIES: RECENT DEVELOPMENTS AND OUTLOOK

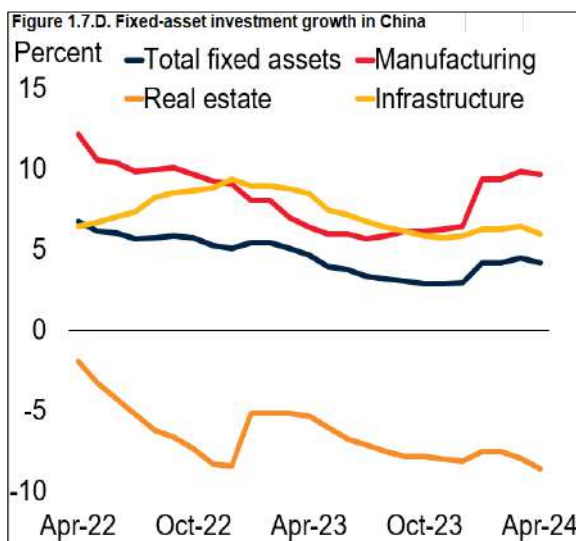
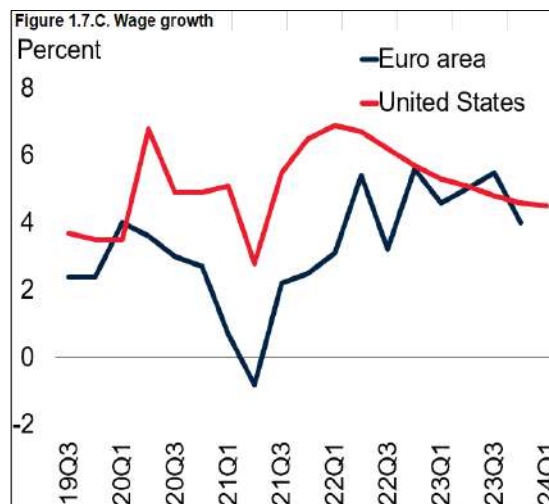
Growth in advanced economies slowed to 1.5 percent in 2023, with notable divergences. Growth in the United States strengthened to 2.5 percent last year, owing primarily to robust consumption, government spending, and significantly reduced imports of goods and services. Consumption was supported by continued spending out of savings accumulated during the pandemic and a healthy expansion of household balance sheets as equity prices gained rapidly last year. A substantial widening of the U.S. budget deficit in 2023 (fiscal year), to over 6 percent of GDP at the federal level, also played a role in boosting growth (CBO 2024a). In contrast, euro area growth slowed sharply last year, driven by weak consumption growth, reflecting the impact of high energy prices on household budgets.

The boost to consumption growth from household wealth gains is likely to moderate owing to slowing increases in real estate net worth, which has historically had substantial effects on consumer spending (Carroll, Otsuka, and Slacalek 2011). Increases in house prices tapered off toward the end of 2023 and are expected to remain well below the strong pace seen over the past few years. As wealth gains slow, household income growth is also expected to ease sequentially throughout 2024, with the labor market continuing to soften and U.S. job openings declining (figure 1.7.A). Rising labor supply is expected to contribute to labor market rebalancing, including from continued robust net migration (figure 1.7.B). On the fiscal side, with a relatively stable or slightly lower deficit expected over the next few years, fiscal policy is not expected to be a significant driver of growth. In 2026, growth is expected to remain at 1.8 percent, as a further slowdown in fiscal spending offsets a modest pickup in consumer spending and business investment. By the end of 2026, borrowing rates are expected to have declined substantially as inflation returns close to target.



In the euro area, growth slowed sharply in 2023, reflecting tight credit conditions, feeble exports, and elevated energy prices. Trade volumes declined in 2023 for the first time outside of an annual euro area contraction, in large part reflecting a loss of export competitiveness amid elevated energy prices. Growth appears to have bottomed out, however, though with key differences across sectors and member countries. Services activity suggests incipient improvement in early 2024, but this has been offset by

weaker than-expected industrial activity, especially in the manufacturing sector in Germany. Growth is forecast to firm only slightly in 2024, to 0.7 percent, supported by an ongoing recovery in real incomes but dampened by still-subdued investment and export growth. Consumer spending is expected to edge higher in 2024, as inflation declines and wages continue to rise, albeit at a more moderate pace (figure 1.7.C). Growth is forecast to pick up in 2025, to 1.4 percent, as the recovery in export and investment growth gathers pace, with the latter benefiting from lower policy rates and the absorption of EU funds. In 2026, economic activity is projected to expand at a relatively stable pace of 1.3 percent, slightly above potential growth estimates as reforms under the European Union’s Next Generation EU plan start to bear fruit. In some large euro area members, national fiscal policy is expected to exert a drag on activity in the near term.



Growth in China edged up in early 2024, supported by a positive contribution from net exports that offset softening domestic demand. Following weakness last year, exports and imports have both strengthened. Meanwhile, overall investment growth has remained tepid, with solid infrastructure and manufacturing investment set against declining real estate investment as the property sector downturn—now in its third year—continues (figure 1.7.D). Property prices and sales have fallen further, and property developers have experienced renewed financing pressures. Amid weak consumer confidence, domestic consumption

has also remained subdued, with retail sales growth below pre-pandemic averages. Headline consumer prices have increased modestly this year, after declining late last year on the back of falling food prices, and core inflation has remained well below the target of about 3 percent. Producer prices have continued to decline, reflecting weak demand.

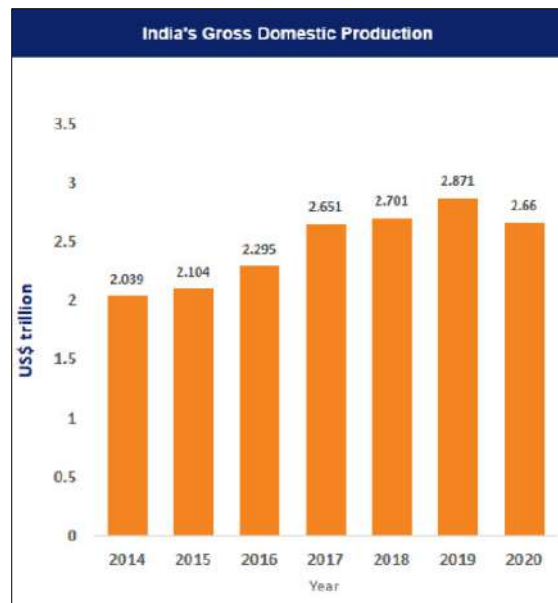
Source: *Global Economic Prospects -- June 2024 (worldbank.org)*

INDIAN ECONOMIC OVERVIEW

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government’s continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India’s exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals

(7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.



India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

INDIAN MARKET SIZE

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) narrowed to 1.2% of GDP in the October-December quarter. The CAD stood at US\$ 10.5 billion for the third quarter of 2023-24 compared to US\$ 11.4 billion or 1.3% of GDP in the preceding quarter. This was largely due to higher service exports.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise

exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

RECENT DEVELOPMENTS IN INDIAN ECONOMY

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs.1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crore (US\$ 4.14 billion), SGST is Rs. 43,746 crore (US\$ 5.25 billion).
- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation

and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.

Source: <https://www.ibef.org/economy/indian-economy-overview>

MANUFACTURING INDUSTRY INDIA

INTRODUCTION

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors.

The machine tool industry was literally the nuts and bolts of the manufacturing industry in India. Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market.

Technology has today encouraged creativity, with digital transformation being a critical element in gaining an advantage in this increasingly competitive industry. The Indian manufacturing sector is

steadily moving toward more automated and process-driven manufacturing, which is projected to improve efficiency and enhance productivity.

India has the capacity to export goods worth US\$ 1 trillion by 2030 and is on the road to becoming a major global manufacturing hub.

With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025.

India now has the physical and digital infrastructure to raise the share of the manufacturing sector in the economy and make a realistic bid to be an important player in global supply chains.

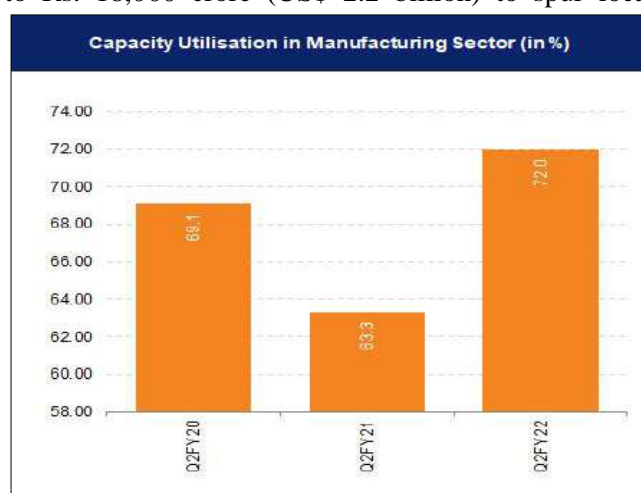
A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decade. Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets. Several factors contribute to their potential. First off, these value chains are well positioned to benefit from India's advantages in terms of raw materials, industrial expertise, and entrepreneurship.

Second, they can take advantage of four market opportunities: expanding exports, localising imports, internal demand, and contract manufacturing. With digital transformation being a crucial component in achieving an advantage in this fiercely competitive industry, technology has today sparked creativity. Manufacturing sector in India is gradually shifting to a more automated and process driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry.

India is gradually progressing on the road to Industry 4.0 through the Government of India's initiatives like the National Manufacturing Policy which aims to increase the share of manufacturing in GDP to 25 percent by 2025 and the PLI scheme for manufacturing which was launched in 2022 to develop the core manufacturing sector at par with global manufacturing standards.

India is planning to offer incentives of up to Rs. 18,000 crore (US\$ 2.2 billion) to spur local manufacturing in six new sectors including chemicals, shipping containers, and inputs for vaccines.

India's mobile phone manufacturing industry anticipates creating 150,000 to 250,000 direct and indirect jobs within the next 12-16 months, driven by government incentives, and increased global demand. Major players like Apple and its contract manufacturers, along with Dixon Technologies, are expanding their workforce to meet growing production needs.



MARKET SIZE

Manufacturing exports have registered their highest ever annual exports of US\$ 447.46 billion with 6.03% growth during FY23 surpassing the previous year (FY22) record exports of US\$ 422 billion. By 2030, Indian middle class is expected to have the second-largest share in global consumption at 17%. India's gross value added (GVA) at current prices was estimated at US\$ 770.08 billion as per the quarterly estimates of the first quarter of FY24.

India's e-commerce exports are projected to grow from US\$ 1 billion to US\$ 400 billion annually by 2030, aiding in achieving US\$ 2 trillion in total exports. India's GDP surged by 8.4% in the October-December quarter, surpassing expectations. GDP growth was driven by robust performances in the manufacturing and construction sectors, with the manufacturing sector expanding by 11.6% annually and the construction sector growing by 9.5%. The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025-26.

India has potential to become a global manufacturing hub and by 2030, it can add more than US\$ 500 billion annually to the global economy. As per the economic survey reports, estimated employment in manufacturing sector in India was 5.7 crore in 2017-18, 6.12 crore in 2018-19 which was further increased to 6.24 crore in 2019-20. India's display panel market is estimated to grow from ~US\$ 7 billion in 2021 to US\$ 15 billion in 2025. The manufacturing GVA at current prices was estimated at US\$ 110.48 billion in the first quarter of FY24.

INVESTMENT

Some of the major investments and developments in this sector in the recent past are:

- According to the Department for Promotion of Industry and Internal Trade (DPIIT), India received a total foreign direct investment (FDI) inflow of US\$ 48.03 billion in FY23.
- Between April 2000-March 2024:
 - The automobile sector received FDI inflows of US\$ 36.26 billion.
 - The chemical manufacturing sector (excluding fertilisers) received FDI inflows worth US\$ 22.14 billion.
 - The drug and pharmaceutical manufacturing sector received FDI inflows worth US\$ 22.52 billion.
 - The Food Processing Industries received FDI inflows worth US\$ 12.58 billion.
- India's manufacturing sector activity continued to expand in November 2023, with the S&P Global Purchasing Managers' Index (PMI) reaching 56.
- During the financial year 2022-23, around 1.39 crore net members were added by EPFO with an increase of 13.22% compared to the previous financial year 2021-22 wherein EPFO had added approximately 1.22 crore net members.
- Mobile phone exports from India nearly doubled to reach US\$ 5.5 billion, by August in FY24, with the government anticipating mobile phone exports worth Rs. 1 trillion (US\$ 12 billion) this year.
- In February 2024, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 56.9.
- In FY23, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 55.6.
- For the month of January 2024, the Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 stands at 153.0. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of January 2024 stand at 144.1, 150.1 and 197.1, respectively.
- The Index of Industrial Production (IIP) from April-January 2024 stood at 143.4.
- The combined index of eight core industries stood at 150.3 for April-November 2023 against 139.4 for April-November 2022.

- The cumulative index of eight core industries increased by 8.6% during April-October 2023-24 over the corresponding period of the previous year.
- India's manufacturing sector, driven by pharmaceuticals, motor vehicles, and cement, demonstrated resilience despite weak global demand in July-August 2023. PMI remained robust, reflecting domestic economic strength. Capacity utilization in manufacturing trended upwards, signalling positive investment prospects. RBI MPC maintained policy repo rate to control inflation.
- India aims for US\$ 100 billion annual foreign direct investment (FDI) in the coming years, according to Union Minister of Information and Broadcasting Mr. Ashwini Vaishnaw, as part of the government's strategy focused on infrastructure investment, social upliftment, manufacturing growth, and simplification of business processes, amidst projections of consistent 6-8% economic growth over the next decade.
- At the aggregate level, the capacity utilization (CU) in the manufacturing sector increased to 74.0% in Q2:2023-24 from 73.6% in the previous quarter.
- In FY23, the export of the top 6 major commodities (Engineering goods, Petroleum products, Gems and Jewellery, Organic and Inorganic chemicals, and Drugs and Pharmaceuticals) stood at US\$ 295.21 billion.
- In FY24, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 59.1.
- India's manufacturing industry witnessed its fastest expansion in 16 years in March, with the HSBC final India Manufacturing Purchasing Managers' Index (PMI) soaring to 59.1, the highest since February 2008. This surge was fuelled by increased demand, resulting in notable improvements in new orders, output, input stocks, and job creation, as reported by S&P Global.
- In May 2024, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 57.5.
- India's overall exports during the April-February period of 2023-24 are estimated to be US\$ 709.81 billion, reflecting a marginal positive growth of 0.83% over the April-February period of 2022-23. In February 2024 alone, exports stood at US\$ 73.55 billion, showing a growth of 14.20% compared to the same month in the previous year.
- The Employees' Provident Fund Organization (EPFO) added 8.41 lakh people in December 2023.
- The latest payroll data shows a significant increase in female workforce participation. Out of 8.41 lakh new members, around 2.09 lakh are female, the highest in three months. This marks a 7.57% increase from November 2023. Additionally, the net female member addition stood at approximately 2.90 lakh, up by about 3.54% from the previous month.
- Amazon Inc's cloud computing division, Amazon Web Services, became the latest company to invest in India. The company has planned to invest US\$13 billion (over Rs 1 lakh crore) in India by 2030 to build its cloud infrastructure and create thousands of jobs.
- For the month of April 2024, the Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 stands at 147.7. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of January 2024 stand at 130.8, 144.2, and 212.0, respectively.
- On February 29, 2024, India approved the construction of three semiconductor plants with investments exceeding \$15 billion. These plants aim to establish India as a major chip hub, with Tata Electronics, Tata Semiconductor Assembly and Test Pvt Ltd, and CG Power spearheading the projects in Gujarat and Assam. This initiative aligns with India's goal to bolster its semiconductor ecosystem and create numerous advanced technology jobs.
- In October 2021, information technology major Zoho, announced that it will invest Rs. 50-100 crore (US\$ 6.7-13.4 million) and form a new company, that will focus on research and development (R&D) in the manufacturing sector.
- India's GDP surged in the January-March quarter, growing 7.8%, exceeding the 6.7% forecast. Manufacturing rebounded by 9.9%, contrasting with last year's contraction. GDP for the fiscal year hit 8.2%. IMF projects India as the world's fourth-largest economy by 2025.

- India's gross value added (GVA) at current prices was estimated at US\$ 506.35 billion as per the quarterly estimates of the fourth quarter of FY24.
- In August 2021, Wistron Corp. collaborated with India's Optimus Electronics to manufacture products such as laptops and smartphones, giving a major boost to the 'Make in India' initiative and electronics manufacturing in the country.
- In April 2021, Samsung started manufacturing mobile display panels at its Noida plant and plans to ramp up manufacturing IT display panels soon.
 - Samsung Display Noida, which has invested Rs. 4,825 crore (US\$ 650.42 million) to move its mobile and IT display manufacturing plant from China to Uttar Pradesh, has received special incentives from the state government.
- In April 2021, Bharti Enterprises Ltd., and Dixon Technologies (India) Ltd., formed a joint venture to take advantage of the government's PLI scheme for the manufacturing of telecom and networking products.

GOVERNMENT INITIATIVES

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are

- In the Interim Union Budget 2024-2025:
 - In the interim budget 2024, the allocation for the Production Linked Incentive (PLI) Scheme for various sectors saw a substantial increase, with notable examples including a 360% rise to Rs 6,903 crore (US\$ 830 million) for the Semiconductors and Display Manufacturing Ecosystem and a 623% surge to Rs 3,500 crore (US\$ 421 million) for the Automobile sector.
 - In the interim budget 2024, there was commendable fiscal responsibility demonstrated alongside significant investments in infrastructure, including emphasis on affordable housing, clean energy, and technological advancement. Additionally, the budget allocated funds for the creation of a Rs 1-lakh crore (US\$ 12 billion) innovation fund for sunrise domains, providing a substantial boost for the startup industry. Moreover, there was a notable focus on promoting the shift to electric vehicles (EV) through the expansion of EV charging networks, thereby offering opportunities for small vendors in manufacturing and maintenance.
 - In the Interim Union Budget 2024-25, the Ministry of Defence has been allocated Rs. 621,541 crore (US\$ 74.78 billion), marking a significant increase of approximately 4.72% from the previous allocation of Rs. 593,538 crore (US\$ 71.41 billion).
- Union Minister of Education and Skill Development & Entrepreneurship, Mr. Dharmendra Pradhan inaugurates Rashtriya Udyamita Vikas Pariyojana under Skill India Mission, empowering PM SVANidhi beneficiaries with comprehensive 22-week entrepreneurship training, including theoretical and practical components, in collaboration with Flipkart and focusing on 40% women participation.
- Semiconductor associations IESA and SEMI signed a Memorandum of Understanding (MoU) in Bengaluru to establish India as a global manufacturing hub, focusing on talent development, policies, design, skilling, research, academia, and supply chains, leveraging SEMI's international network and IESA's expertise.
- Under the Skill India mission, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) has trained over 1.40 crore candidates since 2015, as per Skill India Digital data until December 13, 2023. Notably, in the Short-term Training (STT) program, 42% of certified candidates found placement opportunities, with 24.39 lakh candidates successfully placed out of 57.42 lakh certified.
- In the Union Budget 2023-24:

- Startups incorporated within a time-period and meeting other conditions can deduct up to 100% of their profits; the end of this period has been extended from March 31, 2023, to March 31, 2024. In addition, the period within which losses of startups may be carried forward has been extended from seven to ten years.
- As per the Union Budget 2023 – 24, the income tax rate for new co-operative societies engaged in manufacturing activities has been lowered from 22% to 15% (plus 10% surcharge).
- The upper limit on turnover for MSMEs to be eligible for presumptive taxation has been raised from Rs. 2 crore (US\$ 2,43,044) to Rs. 3 crore (US\$ 3,64,528). The upper limit on gross receipts for professionals eligible for presumptive taxation has been raised from Rs. 50 lakh (US\$ 60,754) to Rs. 75 lakh (US\$ 91,132).
- Expenditure on fertilizer subsidy is estimated at Rs. 1,75,100 crore (US\$ 21.2 billion) in 2023-24. This is a decrease of Rs. 50,120 crore (US\$ 6.09 billion) (22.3%) from the revised estimate of 2022-23. Fertilizer subsidy for 2022-23 was increased substantially in response to a sharp increase in international prices of raw materials used in the manufacturing of fertilizers.
- The Centre will facilitate one crore farmers to adopt natural farming. For this, 10,000 Bio-Input Resource Centres will be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.
- To avoid cascading of taxes on blended compressed natural gas, excise duty on GST-paid compressed biogas contained in it has been exempted from excise duty. Customs duty exemption has been extended to import of capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles.
- To further deepen domestic value addition in manufacture of mobile phones, the finance minister announced relief in customs duty on import of certain parts and inputs like camera lens. The concessional duty on lithium-ion cells for batteries will continue for another year. Basic customs duty on parts of open cells of TV panels has been reduced to 2.5%. The Budget also proposes changes in the basic customs duty to rectify inversion of duty structure and encourage manufacturing of electrical kitchen chimneys.
- Basic customs duty on seeds used in the manufacture of Lab Grown Diamonds has also been reduced.
- Ministry of Defence has set a target of achieving a turnover of US\$ 25 billion in aerospace and defence Manufacturing by 2025, which includes US\$ 5 billion exports. Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector.
- A new category of capital procurement ‘Buy {Indian-IDD (Indigenously Designed, Developed and Manufactured)}’ has been introduced in Defence Procurement Procedure (DPP)-2016.
- By 2030, the Indian government expects the electronics manufacturing sector to be worth US\$ 300 billion.
- Initiatives like Make in India, Digital India and Startup India have given the much-needed thrust to the Electronics System Design and Manufacturing (ESDM) sector in India.

ROAD AHEAD

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury, and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country. The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 3.4 trillion along with a population of 1.48 billion people, which will be a big draw for investors. The Indian Cellular and Electronics Association (ICEA) predicts that India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to US\$ 100 billion by 2025 through policy interventions.

One of the initiatives by the Government of India's Ministry for Heavy Industries & Public Enterprises is SAMARTH Udyog Bharat 4.0, or SAMARTH Advanced Manufacturing and Rapid Transformation Hubs. This is expected to increase competitiveness of the manufacturing sector in the capital goods market. With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring, and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

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

OUR BUSINESS

In this chapter, unless the context otherwise requires, a reference to “our Company” or to “we”, “us” and “our” refers to our Company including Manufacturing Division, on a going concern transferred pursuant to Scheme of Arrangement. Shareholders should note that by virtue of the demerger of Manufacturing Business of Emkay Taps and Cutting Tools Limited into our Company. This chapter includes historical data of the Emkay Tools Limited, Resulting Company.

Company Overview

Our Company is incorporated as an unlisted public company, “Emkay Tools Limited” under the provisions of Companies Act, 2013 in Nagpur, Maharashtra, India vide Certificate of Incorporation dated April 25, 2023. Our Company was incorporated as a Wholly Owned Subsidiary of Emkay Taps and Cutting Tools Limited.

Emkay Taps and Cutting Tools Limited is engaged in 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.

With a view to unlock the potential of each of the business verticals, the Board of Directors of Emkay Taps and Cutting Tools Limited on June 29, 2023 have approved a Scheme of Arrangement in the nature of demerge the Manufacturing Business of the Emkay Taps and Cutting Tools Limited with the Emkay Tools Limited in the manner and on the terms and conditions stated in the Scheme, on a going concern basis.

The Scheme was sanctioned by NCLT, Mumbai Bench vide order dated October 28, 2024 (certified true copy of the order was received on November 12, 2024) and the Appointed Date for the purpose of the Scheme is April 1, 2024. Post effective of the Scheme, Demerged Undertaking of Emkay Taps and Cutting Tools Limited, which includes Manufacturing Business has been vested in our Company from the Appointed Date i.e. April 1, 2024.

Our Company has issued and allotted to the Shareholders of Emkay Taps and Cutting Tools Limited, “1 (One) equity share of Emkay Tools Limited of face value of ₹ 1 each fully paid up for every 1 (One) equity share held in Emkay Taps and Cutting Tools Limited having face value of ₹ 10 each fully paid up, which will be listed on NSE Emerge pursuant to the Scheme. Our Company is authorized to engage in the business of Manufacturing.

Manufacturing Facility, Location and Property

Our Company has received Demerged Undertaking of Emkay Taps and Cutting Tools Limited and will continue to run Manufacturing Business at various sites as per details given hereunder:

Sr. No.	Location	Total Area	City	Type of Property
1.	B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016, Maharashtra	Approx. 5,231 square meters (Built up area sq m 4800)	Nagpur	MIDC Industrial Land - Factory and office Building
2.	L-6/1 M.I.D.C. Industrial Area, Hingna Road,	Approx. 5,760 square meters (Built up area sq	Nagpur	MIDC Industrial

Nagpur-440016, Maharashtra	m 1350.00 (Shed) and Sqm170.00 (Servant Quarters)	Land - Factory and office Building
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Collaborations/Tie-Ups/Joint Ventures:

Our Company has no collaborations or tie ups or joint venture as on the date of this Draft Information Memorandum.

Infrastructure Facilities and Utilities

Our Registered Office is equipped with computer systems, internet connectivity, other communication, equipment, security and other facilities which are required for our business operations to function smoothly.

Human Resource

We believe in the potential of people to go beyond and be the game changing force for business transformation and success. This potential is harnessed by fostering an open and inclusive work culture that enables breakthrough performance and comprehensive development of employees through the three pillars of leading self, leading teams and leading business. In order to create a sustainable organization, continuous up gradation of skills and competency of employees is undertaken through learning and development initiative. This will help the Company to create a talent pool of competent people capable of taking on new challenges. We have created a culture that attracts people with multidimensional skills and experiences.

As of March 31, 2024, we have 76 permanent employees, breakdown of our employee are as below:

Function	Number of Employees
Finance & Accounts	5
Admin, HR & Purchase	4
Operations	12
Production	19
Quality Control	11
Sales & Marketing	25
Total	76

Marketing

The efficiency of the marketing and sales network is critical success of our Company. Our sales and marketing team facilitates all aspects of business development, market intelligence, sales forecast, demand planning, product pricing.

We intend to expand our customer base by reaching out to other geographical areas.

Quality Control

We believe that quality control is essential for the success of a business and we ensure that our products are subject to quality control tests before they are dispatched for delivery to our customers. We have implemented quality systems across our manufacturing facilities that cover all areas of our business processes from manufacturing, supply chain to product delivery for ensuring consistent quality, efficacy and safety of our products. Each batch of the manufactured products is subject to quality checks in our laboratories.

Experienced and qualified management team and technical personnel

Our Company is led by an experienced and qualified management team. Every person in our management team have been instrumental in establishing the business direction for our Company and will continue to guide our Company in the expansion of our business with their experience and technical expertise. Further, our operations at each of our manufacturing facilities are managed by a team of skilled engineers with the requisite technical know-how and educational qualifications with specialisation to carry out our production processes.

Our Business Strategy:

Expanding and improving our existing manufacturing facilities

Pursuant to this Scheme, we intend to meet expected increase in the demand of the Manufacturing Business.

Leveraging our market skills and relationship

We aim to enhance the growth by leveraging our customer relationship and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers

Continuing innovation, technology upgrade and cost improvements

Continuous innovation in our manufacturing process, technology upgrade and cost improvement is a norm at our Company. Our qualified and technical teams try and ensure minimal wastage and extract out maximum from the resources which we have at our disposal, be it the raw materials, be it the premises we operate in, optimum utilisation is what we believe will help us in innovating process improvements, thereby reducing costs.

Attracting and retaining the quality manpower

In our industry, people are the most valuable asset of the company and the reputation of the company will be built up by the management team. We believe the dedication of the employees and skill, integrity and technical analytical mind results in success and growth of business. The well informed, technically and professionally qualified employee will help the clients to take correct decision and thereby we can retain the clients and increase our clientele through mouth publicity of our company. We intend to continue to seek out talent to further enhance and grow our business.



Capacity Utilisation:

The following table sets forth certain key details of our Manufacturing Business:

Unit	For the Period ended September 30, 2024		FY 2023-2024	
	Capacity	Capacity utilization (%)	Capacity	Capacity utilization (%)
HSS Threading Taps	2,50,000	66%	2,50,000	66%

Intellectual Property



Pursuant to the Scheme following intellectual property rights which shall form part of the Demerged Undertaking, shall be transferred to our Company from Demerged Company, without prejudice to the generality of the definition of 'Demerged Undertaking' as defined in this Scheme.

Nature	Details
Trademark	 HSS GROUND THREAD TAP Trademark No. 904020 in Class-OB valid till 17.02.2030
Trade Name	EMKAY TOOLS
Product Making	

Insurance

Our Company maintains a range of insurance policies to cover its assets, including inter alia standard fire and special perils policies, industrial all-risks policies, etc. We believe that the amount of insurance cover presently maintained represent the appropriate level of coverage required to insure our businesses.

Description of Our Products

Product Name	Description	Image
Straight Flute	Emkay manufactures straight fluted taps to various standards like ISO, DIN, etc. These taps are mainly recommended for Cast Iron and SG Iron components. These taps can also be designed for tapping on other components like cast iron, brass, magnesium, bronze, etc.	
Spiral Point Taps	Emkay Tools specializes in application taps for various applications. Spiral Point Tap Or Gun Nose Tap with 3-4 threads chamfer is recommended for tapping in through holes, We also offer left hand spiral with right hand cutting for this application. These taps normally push the chips down the hole and are suitable for materials like aluminum, stainless steel, general purpose steel, forged steel etc.	

Spiral Flute
15° Taps

Emkay manufactures spiral fluted taps in 15° to various standards like ISO, DIN, etc. These taps are suitable for blind hole applications for steel of tensile strength ranging from 1000 upto 1300 N/mm².

Further, we can also make these taps in Powder Metallurgy grade, which can work on steel of tensile strength from 1300 upto 1600 N/mm², such as spring steel, hardened wear resistant steel, maraging steel, etc. These taps can also work on chilled cast iron 400-600HB and titanium, commercially pure, and titanium alloys above 730 N/mm².

We can also provide special geometry 15° spiral fluted taps suitable for making various cast iron components.



Spiral Flute
35° Taps

Spiral Fluted Taps are designed primarily for machine tapping in blind holes. They are suitable for tapping in soft materials such as aluminium and soft steels, which produce long and stringy chips. The shear action provided by the spiral flutes draws the chip out of the hole, allowing greater depth of threading without chip clogging.

Emkay Tools spiral fluted taps are available in low & fast spiral combination. In fast spiral fluted tap (35°) thread length is shorter than thread length in other types of taps.



Fluteless
Taps

Also known as “Cold Forming Tap” or “Roll Forming Tap”. Thread forming tap produces internal threads by an action similar to thread rolling, a novel method of cold forming of threads by displacement of material rather than by chip removal. These taps have neither flutes nor cutting edges and they are just like a screw. In the end view and cross section, the major and minor diameters follow a contour. The fluteless taps are “screwed” in the pre-drilled work piece with proper feed rate and the thread profile is gradually press formed



Cast Iron

Emkay Tools has developed application taps for Cast Iron Tapping, having a special geometry and thread tolerance which is suitable for tapping in cast iron and also in short chipping S.G. Iron. These taps have chamfer of 2 thread lengths and can be used for both through holes and blind holes. We also offer spiral fluted 15° taps for cast iron application



Pipe Taps

Emkay manufactures pipe taps to various standards like BSP, BSPT, NPT, NPTF, NPS, NPSF, etc. We also provide these taps in spiral flutes and with interrupted threads.



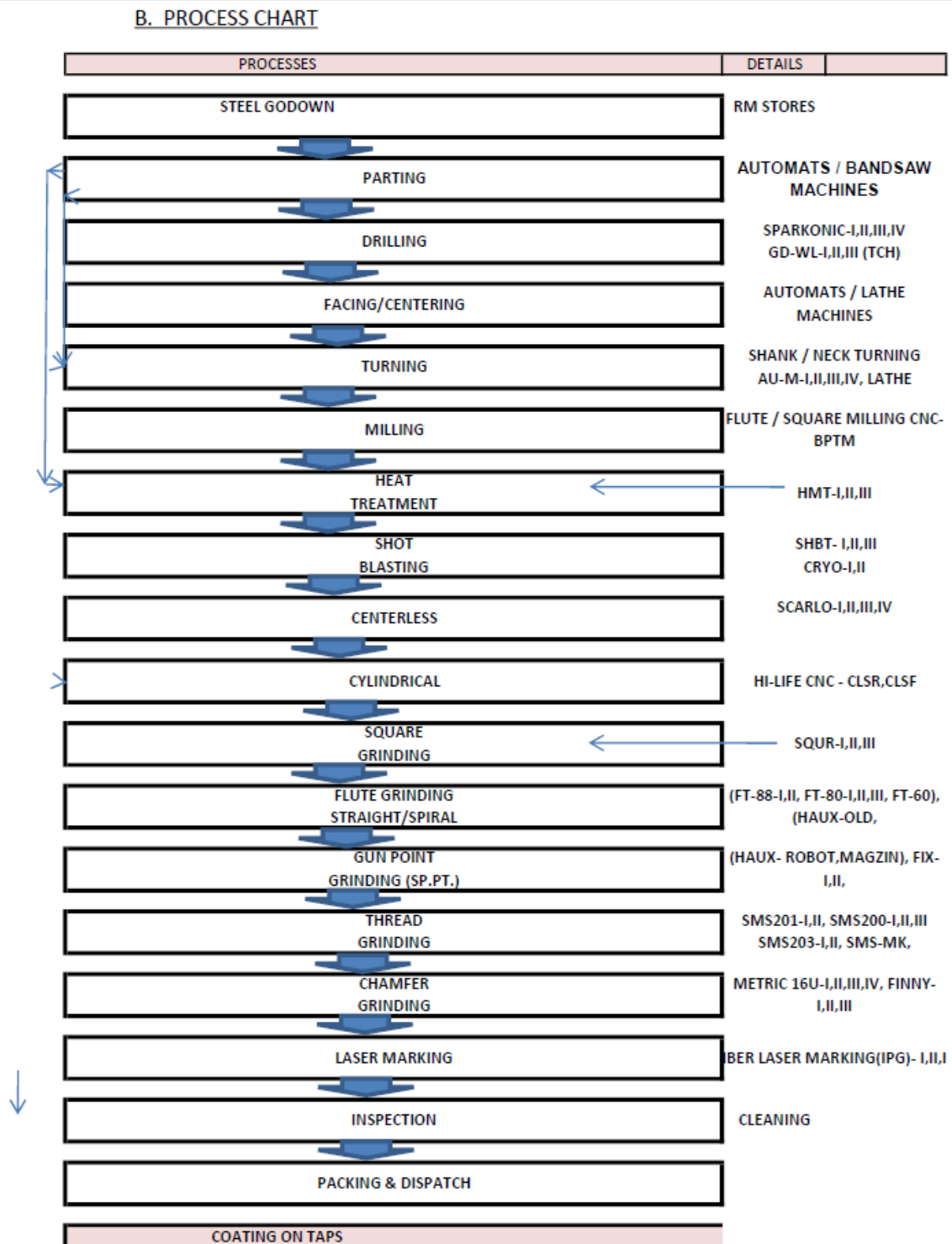
Nut/NIB Taps

Emkay Tools Nib Taps are specially made for automatic tapping of nuts in high speed Nut Tapping Machines in materials like stainless steel etc. These taps have appropriate geometry and flute profile which deliver high quality and consistency in threading. They can also be designed to specific tolerances and applications to suit customers' working conditions.



Manufacturing Process Flow:

The below flowchart represents our Manufacturing process flow:



KEY INDUSTRY REGULATIONS AND POLICIES

The following is an indicative summary of certain relevant laws and regulations in India which are applicable to the business and operations of our Company. The information available in this section has been obtained from publications available in public domain. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and is neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law and the judicial, regulatory, and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions. For details of government approvals obtained by us, where necessary, in compliance with these regulations, refer to 'Government and Other Statutory Approvals' on page 108 of this Draft Information Memorandum.

1. Employee benefit legislations

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the "PF Act")

The PF Act provides for payment of provident funds for employee.

Employees' State Insurance Act, 1948 (the "ESI Act")

The ESI Act provides for certain benefits to employees in case of sickness, maternity and 'employment injury' to make provision for certain other matters in relation thereto.

Equal Remuneration Act, 1976 (the "Equal Remuneration Act")

The Equal Remuneration Act, provides for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto.

Minimum Wages Act, 1948 (the "Minimum Wages Act")

The Minimum Wages Act, provides for An Act fixation minimum rates of wages in certain employments.

Payment of Gratuity Act, 1972 (the "Gratuity Act")

The Gratuity Act provides for a scheme for the payment of gratuity to employees engaged in inter alia in factories, and other establishments and for matters connected therewith.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH")

The POSH provides protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for the matters connected therewith.

2. Labour Laws

The Factories Act, 1948 ("Factories Act")

The term 'factory', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration

and licensing of factories. The Factories Act requires the ‘occupier’ of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the “occupier” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Other labour law legislations

Various other labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers’ rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would be the followings:

1. Contract Labour (Regulation and Abolition) Act, 1970.
2. Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.
3. Employees’ State Insurance Act, 1948.
4. Minimum Wages Act, 1948.
5. Payment of Bonus Act, 1965.
6. Payment of Gratuity Act, 1972.
7. Payment of Wages Act, 1936.
8. Maternity Benefit Act, 1961.
9. Industrial Disputes Act, 1947.
10. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
11. The Industries (Development and Regulation) Act, 1951.
12. Employees’ Compensation Act, 1923.
13. The Industrial Employment Standing Orders Act, 1946.
14. The Child Labour (Prohibition and Regulation) Act, 1986.
15. The Equal Remuneration Act, 1976.
16. The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001.

3. Environmental Regulations

The Environment (Protection) Act, 1986 (the “EP Act”)

The EP Act has been enacted for the protection and improvement of the environment. EP Act empowers the government to take measures to protect and improve the environment such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations.

Water Prevention and Control of Pollution Act, 1974 (the “Water Act”)

The Water Act was enacted to control and prevent pollution and for maintaining or restoring of wholesomeness of water in the country and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution

control board (“SPCB”). The SPCBs are vested with diverse powers to deal with water and air pollution, have been established at the Central level and in each State. The SPCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders (renewed annually) from the SPCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down.

Air Prevention and Control of Pollution Act, 1981 (the “Air Act”)

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialized piece of legislation, which was enacted to take appropriate steps for the preservation of natural resources of the earth, which among other things include the preservation of the quality of air and control of air pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant, which emits air pollutants in an air pollution control area, as notified by the state pollution control board.

4. Tax related legislations

The tax related laws that are applicable to us include the Income-tax Act, 1961, Income Tax Rules, 1962, Goods and Services Tax Act, 2017 and various rules and notifications thereunder and as issued by taxation authorities.

5. Foreign exchange laws

The foreign exchange laws that are applicable to us include the Industrial Policy, 1991 of the Government of India, the FEMA and the relevant rules thereunder, and the Consolidated FDI Policy.

6. Other Laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, SEBI Regulations, SEBI LODR Regulations, other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as a public limited company under the Companies Act, 2013 in the state of Maharashtra vide Certificate of Incorporation dated April 25, 2023 issued by the Central Registration Centre, Registrar of Companies on behalf of the Registrar of Companies, Maharashtra (“RoC”). Our Company filed a declaration of commencement of business with the ROC on May 23, 2023. Our Company was incorporated as a wholly owned subsidiary of Emkay Taps and Cutting Tools Limited. The Corporate Identity Number (CIN) of our Company is U25939MH2023PLC401627.

For information on our Company’s profile, business activities, products/services, market, growth, technology, managerial competence, standing with reference to prominent competitors etc. please refer to chapters titled ‘Industry Overview’, ‘Business Overview’, ‘Financial Information’, ‘Management Discussion and Analysis of Financial Condition and Results of Operation’ and ‘Government and Other Statutory Approvals’ beginning on page 44, 63, 96, 99 and 108.

Address of Registered Office

Registered Office	B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, MIDC Nagpur, Maharashtra, India, 440016
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Change in name of our Company

There has been no change in Name of our Company since incorporation.

Change in address of Registered Office of our Company

There has been no change in address of registered office of our Company since incorporation.

Main objects of our Company

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company as contained in our Memorandum of Association is as follows:

“To carry on the 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.”

Amendments to the MOA of our Company since incorporation

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

Particulars	Date of Meeting	Type of Meeting
Sub Division of Authorised share capital of the Company from ₹ 15,00,000 divided into 1,50,000 Equity Shares of ₹ 10/- each to ₹ 15,00,000 divided into 15,00,000 Equity Shares of ₹ 1/- each.	May 25, 2024	EGM
Increase in the Authorised Share Capital of the Company from ₹ 15,00,000 divided into 15,00,000 Equity Shares of ₹ 1/- each to ₹ 1,25,00,000 divided into 1,25,00,000 Equity Shares of ₹ 1/- each.	May 25, 2024	EGM

Key Events and Milestones in the History of our Company

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

April 25, 2023	Incorporation of our Company as wholly-owned subsidiary of Emkay Tools Limited and commencement of business by our Company
June 29, 2023	Board of Directors' approved Scheme of Arrangement to acquire manufacturing business from Emkay Taps and Cutting Tools Limited.
October 28, 2024 (certified copy received on November 12, 2024)	Sanction of the Scheme of Demerger by Hon'ble NCLT

Awards, Accreditations or Recognitions

Our Company does not have any Awards and Recognition.

Other details regarding our Company

For details regarding the description of our Company's profile, products, activities carried out by the Company, technology, market, etc. wherever applicable, see the chapters titled '*Our Business*', '*Financial Information*' and '*Government and Other Statutory Approvals*' beginning on page 63, 96 and 108 respectively of this Draft Information Memorandum.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

There are no defaults or rescheduling of borrowings from financial institutions or banks in relation to our Company.

Revaluation of assets

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares by capitalizing any revaluation reserves.

Holding Company

As of the date of this Draft Information Memorandum, our Company does not have any holding company.

Subsidiary of Our Company

Our Company does not have a Subsidiary Company as on the date of this Draft Information Memorandum.

Joint Ventures of Our Company

As on the date of this Draft Information Memorandum, our Company has not entered into any Joint Venture.

Strikes and Lock-Out

Our Company has not experienced any strike, lock-outs or labour unrest in the past.

Acquisition of Businesses / Undertakings

Our Company has not made any material acquisitions or divestments of businesses / undertakings since incorporation.

Mergers and Amalgamation

There has been no merger or amalgamation of business or undertakings in the history of our Company except as disclosed below:

Scheme of Arrangement under the provisions of Sections 230 to 232, read with Section 66 and other applicable provisions of the Companies Act, 2013 between Emkay Taps and Cutting Tools Limited and Emkay Tools Limited and their respective shareholders and creditors, as sanctioned by Hon'ble NCLT, Mumbai Bench vide its order dated October 28, 2024 (the certified true copy of the order was received on November 12, 2024).

The salient features of the said Scheme are set forth hereunder:

Particulars	Details
“Demerged Company”	Emkay Taps and Cutting Tools Limited
“Resulting Company”	Our Company, i.e., Emkay Tools Limited
Appointed Date	April 01, 2024
Rationale for the Scheme	See chapter titled ‘Objects and Rational of the Scheme’ on page 38.
Feature of the Scheme	Demerge the Manufacturing Business from Emkay Taps and Cutting Tools Limited, on a going concern basis, into Emkay Tools Limited, as a resultant mirror image shareholding, and whose shares would be listed on the Stock Exchange after the demerger
Date of Approval of Scheme by NCLT	October 28, 2024 (the certified true copy of the order was received on November 12, 2024).
Effective Date	November 19, 2024
Record Date	December 04, 2024
Exchange Ratio	“1 (One) fully paid-up Equity Share of ₹ 1/- each of Resulting Company (Emkay Tools Limited) for every 1 (One) fully paid-up equity shares of ₹ 10/- each held in the Demerged Company (Emkay Taps and Cutting Tools Limited)”
No. of Shares Issued in terms of Scheme by our Company	1,06,71,300 Equity Shares

Shareholders Agreements

As on the date of this Draft Information Memorandum, our Company has not entered into any shareholders' agreement.

Other Material Agreements

Our Company has not entered into any agreements/arrangements otherwise than in the normal course of business of our Company or at any time during two years preceding the date of this Draft Information Memorandum.

Agreements with Key Managerial Personnel or a Director or Promoters or any other employee of the Company

There are no agreements entered into by Key Managerial Personnel or a Director or Promoters or any other employee of the Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

Strategic and Financial Partners

As on the date of this Draft Information Memorandum, our Company does not have any Strategic and Financial Partner(s).

OUR MANAGEMENT

Board of Directors

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Information Memorandum:

Sr. No.	Name, DIN, Date of Birth, Age, Qualification, Experience, Address, Designation, Current Term, Occupation	Other directorships
1.	<p>Mr. Ajayprakash Kanoria <i>Designation:</i> Managing Director <i>DIN:</i> 00041279</p> <p><i>Date of Birth:</i> May 13, 1957 <i>Age:</i> 67 Years</p> <p><i>Qualification:</i> Graduated from RTM Nagpur University in Commerce & Chartered Accountant Intermediate Level <i>Occupation:</i> Business <i>Experience:</i> 44 Years</p> <p><i>Address:</i> Flat No 401 and 402, Mahalaxmi Apartment, Near Shivaji Nagar Garden, Shivaji Nagar, Shankar Nagar, Nagpur – 440010, Maharashtra, India</p> <p><i>Current Term:</i> For a period of five years w.e.f. June 29, 2023 to May 28, 2028.</p>	<ul style="list-style-type: none">● Emkay Taps And Cutting Tools Limited● Nagpur Tools Private Limited● Adishree Engineering Private Limited
2.	<p>Mrs. Alka Kanoria <i>Designation:</i> Executive Director <i>DIN:</i> 00041346</p> <p><i>Date of Birth:</i> August 05, 1959 <i>Age:</i> 65 Years</p> <p><i>Qualification:</i> Graduated from Lucknow University in Science <i>Occupation:</i> Business <i>Experience:</i> 34 Years</p> <p><i>Address:</i> Flat No 401 and 402, Mahalaxmi Apartment, Near Shivaji Nagar Garden, Shivaji Nagar, Shankar Nagar, Nagpur – 440010, Maharashtra, India</p> <p><i>Current Term:</i> Appointed w.e.f. April 25, 2023 and liable to retire by rotation.</p>	<ul style="list-style-type: none">● Nagpur Tools Private Limited● Emkay Taps And Cutting Tools Limited● Adishree Engineering Private Limited
3.	<p>Mr. Mahesh Ishwardas Mor <i>Designation:</i> Independent Director <i>DIN:</i> 07151767</p>	<ul style="list-style-type: none">● Emkay Taps And Cutting Tools Limited

Sr. No.	Name, DIN, Date of Birth, Age, Qualification, Experience, Address, Designation, Current Term, Occupation	Other directorships
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Date of Birth: March 10, 1957
Age: 67 Years

Qualification: Graduate in Commerce
Occupation: Professional
Experience: 30 Years

Address: Plot No. 24-25 Kshitij, Behind Omkar Apartment, Hajari Pahad Seminary Hills, Nagpur – 440006, Maharashtra, India

Current Term: Appointed for 5 years w.e.f. April 25, 2023 and liable to be retire by rotation.

<p>4. Mr. Ravindra Ramesh Loiya <i>Designation:</i> Independent Director <i>DIN:</i> 07158487</p>	<ul style="list-style-type: none"> ● Emkay Taps And Cutting Tools Limited
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Date of Birth: September 15, 1967
Age: 57 Years

Qualification: Graduate in Commerce from Nagpur University
Occupation: Professional
Experience: 30 Years

Address: Raj Bhavan, Loiya Marg, Makptee, Nagpur – 441002, Maharashtra, India

Current Term: Appointed on August 10, 2024 for a period of 5 years.

<p>5. Mr. Palathayi Cheriath Ramchandran <i>Designation:</i> Independent Director <i>DIN:</i> 07575222</p>	<ul style="list-style-type: none"> ● Emkay Taps And Cutting Tools Limited
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Date of Birth: May 13, 1942
Age: 82 Years

Qualification: Diploma in Mechanical Engineering
Occupation: Professional
Experience: 55 Years

Address: Plot no. 57/C, Flat No. T2/T3, Shivam Apartment, Near SBI Bank Trimurti Nagar, Ranapratap Nagar, Nagpur – 440022, Maharashtra, India

Sr. No.	Name, DIN, Date of Birth, Age, Qualification, Experience, Address, Designation, Current Term, Occupation	Other directorships
	<i>Current Term: Appointed on August 10, 2024 for a period of 5 years</i>	

Brief profile of Directors

Mr. Ajayprakash Kanoria, Chairman and Managing Director of the Company, has an experience of 44 years in the cutting tools industry. He has inherited the technical expertise from his father. Academically, he is graduated from RTM Nagpur University in Commerce. Additionally, he has successfully completed Chartered Accountant Intermediate Level. Mr. Ajayprakash Kanoria is a key to the strategic decisions of the Company and is keen towards all prominent activities in the Company. His involvement is not limited to planning but extends to overall formulation of the strategy and development activities. With his strategic planning and strong business attitude, he plays the major role in the growth of Company. During the course of his vast experience, the company has drastically increased the trust and appreciation of its Costumer, with his consistency towards quality of products manufactured under the Brand. He is one of the Promoters and first Director of the Company.

Mrs. Alka Kanoria, is a Whole-time Director of the Company. Academically, she is graduated from Lucknow University in Science. She has 34 years of experience and is responsible for developing and implementing administrative policies and procedures, managing administrative staff, and coordinating office activities. She play a crucial role in optimizing resources and fostering a positive work environment.

Mr. Mahesh Ishwardas Mor is a Graduate in Commerce and have more than 30 years of business experience in managing a soft drink bottling plant, micro financing, consumer durables, vehicles Investments, etc. His personal interest is playing bridge and other sports like billiards, etc. He is a bridge player of repute and plays all important National Bridge Tournaments. He is a member of Vidarbha Bridge Association, Gondwana Club and CP Club, Nagpur. He takes active interest in evaluating the performance of various companies. He can analyze financial statements like balance sheet, etc., and is well read about different types of industries. As a Non-executive Director of the Company, with his finance and Business acumen, bring value addition to our Company.

Mr Ravindra Ramesh Loiya is an ex-student of Scindia School, Gwalior. He is a B.Com graduate from Nagpur University. He has more than 30 years' experience in steel industry, real estate business, etc. His interest is playing Golf. He is a member of the Kamptee Club and The Garude Golf Institute. He has good exposure to various industries. His expertise will be greatly helpful to the company. As an Independent Director of the Company, with his huge working experience in dynamic industries, bring value addition to the Company.

Mr. Palathayi Cheriath Ramchandran holds a Diploma in Mechanical Engineering since 1962 from Government Polytechnic College, Kannur, Kerala. He has a wide experience of 55 years in Machine Tools Industry. With his tremendous experience, he has developed great acumen in selection of machines and maintenance of various taps on machine tools. He has worked in HMT for about 16 years and thereafter was a freelance Machine Tool Service Consultant for more than 9 years. Presently, he is engaged in marketing of various machine tools and representing companies like BFW-Bangalore, Gee Dee Weiler - Coimbatore, PSG Coimbatore, etc.

Relationship between Directors

As on the date of this Draft Information Memorandum, none of our Directors are related to each other as per the provisions of Companies Act, 2013 except Mr. Ajayprakash Kanoria who is husband of Mrs. Alka Kanoria.

Details of directorship in companies suspended or delisted

None of our Directors is, or was, a director of any listed company whose shares were suspended from being traded on any stock exchange during the term of their directorship in such company, in the five years prior to the date of this Draft Information Memorandum.

None of our Directors is, or was, a director of any listed company which was delisted from any stock exchange, during the term of their directorship in such company.

Borrowing power of our Board

Pursuant to a special resolution passed at an annual general meeting of our Company held on September 04, 2024 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act and rules made thereunder, the consent of the members of the meeting accorded to borrow any sum or sums of monies, from time to time with or without security, as the board may think fit for the purpose of business notwithstanding that the money or monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount so borrowed, shall not exceed at any point in time a sum equivalent to INR 50 Crore (INR Fifty Crore Only) over and above the aggregate, of the paid-up share capital and free reserve of the Company..

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board or as a member of the senior management.

Service contracts with our Directors

The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.

REMUNERATION

1. Compensation to Managing Director: Our Company has not paid any compensation to Managing Director for the FY 2023-24.
2. Compensation payable to Non-Executive Directors: Our Company has not paid any compensation to Non-Executive Directors for the FY 2023-24.
3. Sitting Fees/ Commission to Non-Executive Directors and Independent Directors: Our Company has not paid any sitting fees/ commission to Non-Executive Directors and Independent Directors for the FY 2023-24.

Contingent and deferred compensation payable to the Directors

As on the date of this Draft Information Memorandum, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or profit-sharing plans for our Directors

None of our Directors are entitled to participate in any bonus or profit-sharing plan of our Company.

Shareholding of our Directors

Except for the following Directors, no other Directors hold any shares in our Company:

Sr. No.	Name of the Director	No of Equity Share Held	% of Holding
1.	Mr. Ajayprakash Kanoria	6,28,050	5.89%
2.	Mrs. Alka Kanoria	11,24,190	10.53%
3.	Mr. Ravindra Ramesh Loiya	14,400	0.13%
Total		17,66,640	16.55%

As per AOA of our Company, Directors are not required to hold any qualification shares in our Company.

Appointment of relatives of Directors to any office or place of profit

None of the relatives of our Directors currently hold any office or place of profit in our Company:

Other Confirmations

1. None of our Directors are on the RBI list of willful defaulters as on the date of this Draft Information Memorandum.
2. None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

Interests of Directors

Our Directors may be deemed to be interested to the extent of remuneration and sitting fees payable; if any to them for services rendered as a Director of our Company and reimbursement of expenses payable to them.

Our Directors may also be deemed to be interested to the extent of Equity Shares, if any, held by them and their relatives, to the extent of any dividends payable to them and other distributions in respect of the said Equity Shares.

Our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firms or LLPs in which they are partners as declared in their respective declarations.

Our Directors are not interested in any property acquired by our Company or proposed to be acquired by it, or in any transaction in the acquisition of land, construction of building and supply of machinery.

Except in the ordinary course of business and as disclosed in '*Related Party Transactions*' on page 94 of this Draft Information Memorandum, our Directors do not have any other business interest in the Company.

Employee stock option plan or employee stock purchase plan

Our Company does not have any employee stock option scheme (“ESOP”) / employee stock purchase scheme (“ESPS”) for our employees. As and when options are granted to our employees under an ESOP or ESPS, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee benefits and Sweat Equity) Regulations, 2021.

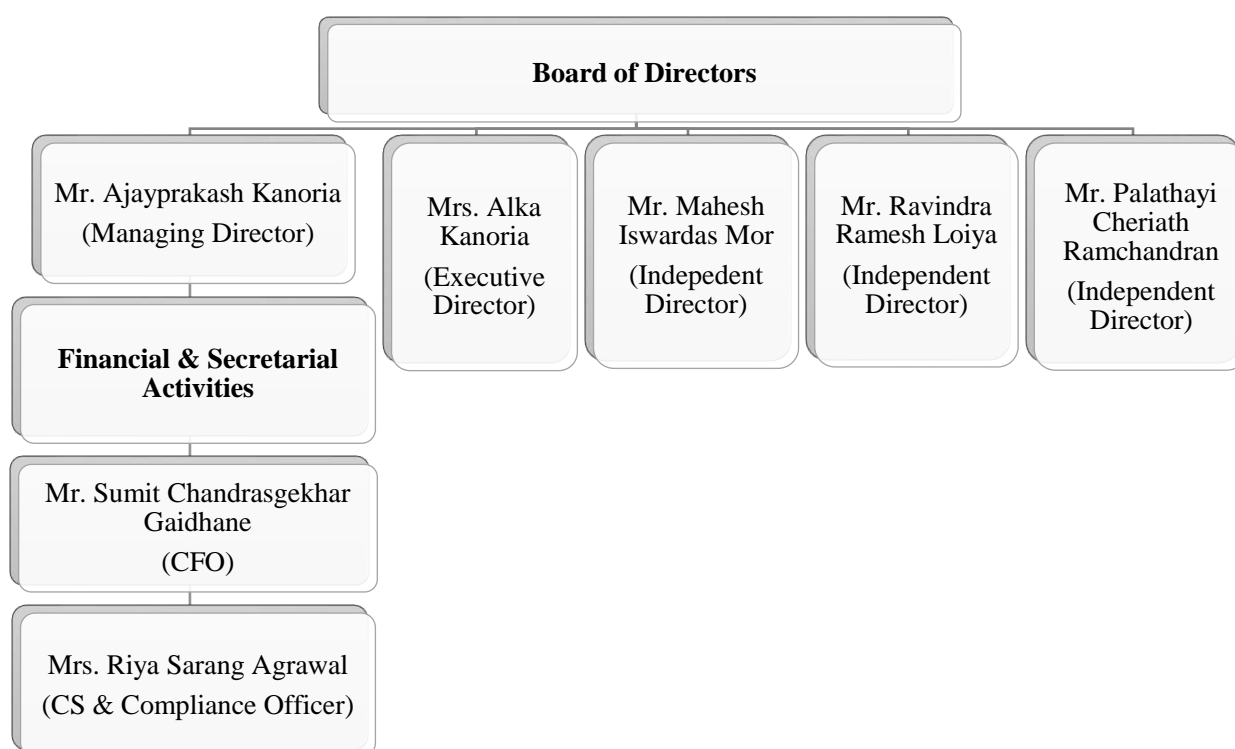
Changes in our Board in the last three years

The changes in our Board since our inception are set forth below:

Name	Date of Appointment/ Resignation	Reason
Ajayprakash Kanoria (DIN: 00041279)	June 29, 2023	Change in designation from Director to Managing Director
Palathayi Cheriath Ramchandran (DIN: 07575222)	August 10, 2024	Appointment as an Independent Director
Ravindra Ramesh Loiya (DIN: 07158487)	August 10, 2024	Appointment as an Independent Director

MANAGEMENT ORGANIZATION STRUCTURE

The following chart depicts our Management Organization Structure:



CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, in respect

of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Our Board of Directors consist of Five (5) directors of which two (2) are Independent Directors, and we have One woman director on the Board. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013;

1. Audit Committee:

Our Company has formed an Audit Committee, vide Board Resolution dated September 20, 2024 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) Rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Ravindra Ramesh Loiya	Chairman	Non-Executive Independent Director
Palathayi Cheriath Ramchandran	Member	Non-Executive Independent Director
Ajayprakash Kanoria	Member	Managing Director

The terms of reference of the Audit Committee include the following:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions; and
 - g) modified opinion(s) in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval including the financial statements, in particular, the investments made by unlisted subsidiary(ies);

- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of the related party transactions;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the whistle blower mechanism;
- (xix) Approval of appointment of CFO (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (xxi) To review the utilization of loans, advances or both in the subsidiary company(ies) which shall not exceed Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and
- (xxii) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

2. Stakeholders Relationship Committee:

Our Company has formed an Stakeholders Relationship Committee vide Board Resolution dated September 20, 2024 as per the applicable provisions of the Section 178(5) of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mahesh Ishwardas Mor	Chairman	Non-Executive Independent Director
Ravindra Ramesh Loiya	Member	Non-Executive Independent Director
Palathayi Cheriath Ramchandran	Member	Non-Executive Independent Director

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

- (i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- (v) 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.

3. Nomination and Remuneration Committee:

Our Company has formed a Nomination and Remuneration Committee vide Board Resolution dated September 20, 2024 as per the applicable provisions of the Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Palathayi Cheriath Ramchandran	Chairman	Non-Executive Independent Director
Mahesh Ishwardas Mor	Member	Non-Executive Independent Director
Ravindra Ramesh Loiya	Member	Non-Executive Independent Director

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

- (i) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- (ii) To formulate criteria for evaluation of Independent Directors and the Board.
- (iii) To carry out evaluation of Director's performance.
- (iv) 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.
- (v) To recommend to the Board the appointment and removal of Directors and Senior Management.
- (vi) To recommend to the Board the appointment and removal of Directors and Senior Management.
- (vii) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- (viii) To devise a policy on Board diversity, composition, size.
- (ix) Succession planning for replacing Key Executives and overseeing.
- (x) 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.

KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of our Key Managerial Personnel.

1. Ajayprakash Kanoria - Managing Director

For details see the section titled, 'Brief Profile of Directors' and 'Remuneration' on page 79 and 80 of this Draft Information Memorandum.

2. Sumit Chandrashekhar Gaidhane - Chief Financial Officer (CFO) aged 39 years, has done his Masters in Commerce from Nagpur University and also CA Intermediate. He has total working experience of twelve years in accounting field including finalization of the financial statements. He also has working knowledge in GST related filings and maintenance of records, Custom related documentation, TDS, etc. At present, he is Chief Financial Officer of Emkay Tools Limited and he looks after the financial, accounting, taxation and other statutory matters related to Our Company.

3. Riya Sarang Agrawal- Company Secretary & Compliance Officer - a qualified Company Secretary passed out in the year 2021 and passed CA Inter. She is having an experience of five years in Incorporation and various ROC form filings. She also have ten years of experience in accounting field which includes Income Tax returns, Audits, GST returns, and all type of registration (TDS, GST, PAN, Udyog Aadhar, etc.) and certification work.

All the Key Managerial Personnel of our Company are permanent employees of our Company.

Service contracts with Key Managerial Personnel & Senior Management

Except for the terms set forth in their respective appointment letters, the Key Managerial Personnel & Senior Management have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel or Senior Management have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Relationship amongst the Key Managerial Personnel & Senior Management

None of our Key Managerial Personnel or Senior Management are related to each other.

Bonus or profit-sharing plans for our Key Managerial Personnel & Senior Management

None of our KMPs/ Senior Management is entitled to participate in any bonus or profit-sharing plan of our Company.

Shareholding of our Key Managerial Personnel

Except for the following KMPs & Senior Management, no KMPs & Senior Management hold any shares in our Company:

Sr. No.	Name of the KMP's/ Senior Management	No of Equity Share Held	% of Holding
1.	Mr. Ajayprakash Kanoria	6,28,050	5.89%
2.	Mrs. Alka Kanoria	11,24,190	10.53%
3.	Mr. Ravindra Ramesh Loiya	14,400	0.13%
	Total	17,66,640	16.55%

Contingent or Deferred Compensation of KMPs and Senior Management

None of our KMPs and Senior Management have received or are entitled to any contingent or deferred compensation.

Interest of KMPs and Senior Management

The KMPs & Senior Management of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, the Key Managerial Personnel and Senior Management may be regarded as interested in the Equity Shares held by them, if any, and to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Except as stated in chapter titled '*Related Party Transactions*' beginning on page 94 of this Draft Information Memorandum and as described herein above, our Key Managerial Personnel do not have any other interest in our business.

Changes in Key Managerial Personnel during last three years

The changes in KMPs since the inception are set forth below:

Name	Date of Appointment/ Resignation	Reason
Sumit Chandrashekhar Gaidhane	October 16, 2024	Appointment as CFO
Riya Sarang Agrawal	September 20, 2024	Appointed as CS & Compliance Officer
Aditya Vinod Kokil	September 20, 2024	Cessation as CS
Aditya Vinod Kokil	November 22, 2023	Appointed as CS
Shruti Rajesh Sohane	October 31, 2023	Cessation as CS
Vishnu Sontakke	September 20, 2024	Cessation as CFO
Shruti Rajesh Sohane	July 01, 2023	Appointed as CS
Vishnu Sontakke	July 01, 2023	Appointment as CFO
Ajayprakash Kanoria (DIN: 00041279)	June 29, 2023	Change in designation from Director to Managing Director

Employee Stock Options

Our Company does not have any employee stock option scheme ("ESOP") / employee stock purchase scheme ("ESPS") for our employees.

Payment or benefit to Key Managerial Personnel of our Company

No amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of our Key Management Personnel, which are not part of their remuneration for services rendered in the capacity of being an employee.

Attrition rate of Key Managerial Personnel and Senior Management

The attrition rate of our Key Managerial Personnel and Senior Management is not high, as compared to the industry.

OUR PROMOTER AND PROMOTER GROUP

As on date of this Draft Information Memorandum Mr. Ajayprakash Murlidhar Kanoria HUF, Mrs. Alka Ajayprakash Kanoria, Mr. Ajayprakash Murlidhar Kanoria and Apoorvashree A Kanoria are the Promoters of our Company. Their shareholding in the Company is as follows:

Sr. No.	Name of Person	No. of Equity Shares held	% of total shares of the Company
1.	Ajayprakash Murlidhar Kanoria HUF	43,53,960	40.80%
2.	Alka Ajayprakash Kanoria	11,24,190	10.53%
3.	Ajayprakash Murlidhar Kanoria	628,050	5.89%
4.	Apoorvashree A Kanoria	1,500	0.01%
Total		61,07,700	57,23%

Mr. Ajayprakash Murlidhar Kanoria HUF, Mrs. Alka Ajayprakash Kanoria, Mr. Ajayprakash Murlidhar Kanoria and Apoorvashree A Kanoria have acquired shareholding in our Company pursuant to the Scheme. Prior to the effectiveness of the Scheme, Emkay Taps and Cutting Tools Limited was the original promoter of our Company.

Our Promoters



Ajayprakash Murlidhar Kanoria HUF

Ajayprakash Murlidhar Kanoria is Karta of Ajayprakash Murlidhar Kanoria HUF, is one of the Promoters of our Company.

Alka Ajayprakash Kanoria (DIN: 00041346)

Date of Birth: August 05, 1959 **Age:** 65 Years

PAN: AASPK9806A



Residential Address: Flat No 401 and 402, Mahalaxmi Apartment, Near Shivaji Nagar Garden, Shivaji Nagar, Shankar Nagar, Nagpur – 440010, Maharashtra, India

Education Qualification: Graduated from Lucknow University in Science

Experience: Refer chapter titled '*Brief profile of Directors*' on Page 79.

Directorship held:

- Nagpur Tools Private Limited
- Emkay Taps And Cutting Tools Limited
- Adishree Engineering Private Limited

Other Ventures: -

Our Promoters



Ajayprakash Murlidhar Kanoria (DIN: 00041279)

Date of Birth: May 13, 1957 **Age:** 67 Years

PAN: ADGPK6780N

Residential Address: Flat No 401 and 402, Mahalaxmi Apartment, Near Shivaji Nagar Garden, Shivaji Nagar, Shankar Nagar, Nagpur – 440010, Maharashtra, India

Education Qualification: Graduated from RTM Nagpur University in Commerce & Chartered Accountant Intermediate Level

Experience: Refer chapter titled '*Brief profile of Directors*' on Page 79.

Directorship held:

- Nagpur Tools Private Limited
- Emkay Taps And Cutting Tools Limited
- Adishree Engineering Private Limited

Other Ventures: -

Apoorvashree A Kanoria



Date of Birth: February 25, 1986 **Age:** <38 Years

PAN: AOFPK7326C

Residential Address: < Flat No 401 and 402, Mahalaxmi Apartment, Near Shivaji Nagar Garden, Shivaji Nagar, Shankar Nagar, Nagpur – 440010, Maharashtra, India >

Education Qualification: <BBA from RTM Nagpur University>

Experience: Apoorvashree Kanoria have one year of experience as a Trainee in Emkay Taps and Cutting Tools Limited.

Directorship held: N/A

Other Ventures: -N/A

The Company confirms that the Permanent Account Number, Aadhaar card number, driving license number, bank account numbers and the passport number of our Promoter, shall be submitted to the Stock Exchanges at the time of filing this Draft Information Memorandum.

Change in control of the Company

There has been no change in control of the Company since inception except that:

The Company was wholly owned subsidiary of Emkay Taps and Cutting Tools Limited till the Effective Date of the Scheme. Pursuant to the Scheme, the shareholders of Emkay Taps and Cutting Tools Limited have become the shareholders of the Company and the Company will now be controlled by the Promoter and the Promoter Group.

Interests of Promoter

Our Promoter is interested in our Company to the extent (i) that it has promoted our Company; (ii) its shareholding in our Company and shareholding of entities in which it is associated as promoter, director, member or trustee; (iii) the dividends payable thereon; and (iv) any other distributions in respect of its shareholding in our Company. For further details, see '*Capital Structure*' on pages 30 of this Draft

Information Memorandum. For further details of interest of our Promoter in our Company, see '*Related Party Transactions*' on page 94 of this Draft Information Memorandum.

No sum has been paid or agreed to be paid to our Promoter or to any firm or company in which our Promoter is interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a director or Promoter or otherwise for services rendered by the Promoter, or by such firm or company, in connection with the promotion or formation of our Company.

Interest in property, land, construction of building and supply of machinery

Our Promoter does not have any interest in any property acquired by our Company since inception or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

Payment or benefits to Promoter or Promoter Group

Except as disclosed herein and as stated in '*Related Party Transactions*' on page 94 of this Draft Information Memorandum, there has been no payment or benefits by our Company to our Promoter or any of the members of the Promoter Group during the three years preceding the date of this Draft Information Memorandum nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Information Memorandum. Our Company may in the future enter into transactions with our Promoter in the ordinary course of business, in the nature of related party transactions.

Companies or firms with which our Promoter have disassociated in the last three years

Except as disclosed herein, our Promoter have not disassociated themselves from any company or firm during the three years preceding the date of this Draft Information Memorandum.

Material guarantees

As on the date of this Draft Information Memorandum, our Promoter have not given any material guarantee to any third party with respect to the Equity Shares.

Promoter Group

In addition to our Promoter, the individuals and entities that form a part of the Promoter Group of the Company are set out below:

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

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term ‘Group Companies’, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

For the purpose of disclosures in the Draft Information Memorandum, other than the companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, there are no other entities which are considered “material” and ought to be classified as Group Companies of the Company.

Based on the above, our Group Companies are as set forth below:

1. Emkay Taps and Cutting Tools Limited (“ETCTL”)

Corporate Information

Emkay Taps And Cutting Tools Limited (CIN: L29220MH1995PLC091091) was incorporated on July 27, 1995 under the provisions of the Companies Act, 1956 having its registered office situated at Plot No B-27 and B-27/1, MIDC Hingna, Industrial Estate, Nagpur, Maharashtra, India - 440016.

Nature of Business

The Company is engaged in the business of Manufacturing of Taps & Cutting Tools and Production of power through windmill.

Financial information

The financial information derived from the unaudited/ audited financial results/ statements of ETCTL for the period ended September 30, 2024 and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 are set forth below:

Particulars	<i>(INR in Lakhs, except per share data)</i>			
	September 2024	2023-24	2022-23	2021-22
	(Unaudited)	(Audited)	(Audited)	(Audited)
Reserves (excluding revaluation reserve)	34,323.17	28,823.56	21,525.00	17,034.37
Revenue from operations	5,475.93	10,345.13	8,861.57	7,080.67
Profit after tax	5,499.60	7,189.87	4,412.78	3,525.91
Earnings per share (₹)	51.54	67.38	41.35	33.04
Diluted earnings per share (₹)	51.54	67.38	41.35	33.04
Net asset value per share (₹)	331.64	280.10	211.71	169.63

2. Nagpur Tools Private Limited (“NTPL”)

Corporate Information

Nagpur Tools Private Limited (CIN: U28930MH2004PTC149927) was incorporated on December 09, 2004 under the provisions of the Companies Act, 1956 having its registered office situated at Plot NO.W-51C MIDC Hingna Road, Nagpur, NAGPUR, Maharashtra, India, 440016.

Nature of Business

The Company is presently engaged in the business of power generation & job work.

Financial information

The financial information derived from the audited financial results/ statements of NTPL for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 are set forth below:

(INR in Lakhs, except per share data)

Particulars	2023-24	2022-23	2021-22
	(Audited)	(Audited)	(Audited)
Reserves (excluding revaluation reserve)	6,883.75	5,444.51	4,758.18
Revenue from operations	1,046.17	900.17	788.75
Other Income	1,080.41	412.37	435.84
Profit after tax	1,439.24	686.33	686.65
Earnings per share (₹)	88.81	42.35	42.37
Diluted earnings per share (₹)	88.81	42.35	42.37
Net asset value per share (₹)	434.76	345.95	303.60

3. Adishree Engineering Private Limited (“AEPL”)

Corporate Information

Adishree Engineering Private Limited (CIN: U28920MH1997PTC107799) was incorporated on May 06, 1997 under the provisions of the Companies Act, 1956 having its registered office situated at F-9/8, M.I.D.C. Hingna Road, Nagpur, Maharashtra, India, 440018.

Nature of Business

The Company is presently engaged in the business of Job Work.

Financial information

The financial information derived from the audited financial results/ statements of AEPL for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 are set forth below:

(INR in Lakhs, except per share data)

Particulars	2023-24	2022-23	2021-22
	(Audited)	(Audited)	(Audited)
Reserves (excluding revaluation reserve)	504.27	454.12	397.76
Revenue from operations	78.47	86.71	90.95
Profit after tax	50.15	56.35	60.71
Earnings per share (₹)	67.76	76.13	82.02
Diluted earnings per share (₹)	67.76	76.13	82.02
Net asset value per share (₹)	779.37	711.77	635.83

In accordance with the SEBI ICDR Regulations, financial information in relation to our Group Companies for the previous three financial years, derived from their respective audited financial statements (as applicable) are available on the website of the Company i.e., www.emkaytoolsltd.com.

Nature and extent of interest of Group Companies

In the promotion of our Company

Except that ETCTL was the promoter of the Company, prior to the effectiveness of the Scheme, our Group Companies do not have any interest in the promotion of the Company.

Properties acquired by our Company in the past three years before filing this Draft Information Memorandum or proposed to be acquired by our Company

Except as mentioned in the 'Related Party Transactions' on page 94 of this Draft Information Memorandum, our Group Companies are not interested in the properties acquired by our Company in the three years preceding the filing of this Information Memorandum or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

Except as mentioned in the 'Related Party Transactions' on page 94 of this Draft Information Memorandum, our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc. with respect to our Company.

Common pursuits among the Group Companies and our Company

Some of our Promoters and members of Promoter Group are also members and promoters in our Group Companies. Some of our Directors hold directorships in our Group Companies. Except as disclosed herein, there are no other common pursuits or conflict of interest situations between our Group Companies and our Company.

Our Company will adopt the necessary procedures and practices as permitted or required by law to address any conflict of interest situation as and when it arises.

Related business transactions within our Group Companies and significance on the financial performance of the Company

Except as disclosed in 'Related Party Transactions' on page 94 of this Draft Information Memorandum, there are no other related business transactions with the Group Companies which are significant to the financial performance of the Company.

Litigation

Except as disclosed in 'Outstanding Litigation and Material Developments' on page 105, there are no pending litigation involving our Group Companies which may have a material impact on the Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in 'Related Party Transactions' on page 94 of this Draft Information Memorandum, our Group Companies do not have any business interest in the Company.

RELATED PARTY TRANSACTIONS

For details of related party transactions of the Company, see '*Financial Statements*' on page 96.

DIVIDEND POLICY

Under the Companies Act, 2013, a company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, financing requirement, and other relevant factors and approved by the Equity Shareholders at their discretion but not limited to the earnings, applicable legal restrictions etc.

Dividends are payable within thirty days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the record date are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

Our Company has not declared any dividend on the Equity Shares, since its incorporation.

SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page No.
Audited Financial Information for the financial year ended March 31, 2024 along with the Independent Auditor's Examination Report	FS-1 to FS-22
Restated Financial Information for the six months period ended on September 30, 2024 and for the financial year ended March 31, 2024 along with the Independent Auditor's Examination Report	FS-23 to FS-43

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INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Emkay Tools Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of M/s. Emkay Tools Limited (*"the Company"*) which comprises the Balance Sheet as at March 31, 2024, 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, 2024, 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place 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 the management.
- Conclude on the appropriateness of management's 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 Standalone 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.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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 financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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.

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

- a) 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.
- b) 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.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) 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.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.



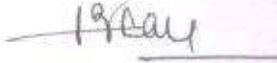
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no fund have been advance or loan or invested (either from borrowed fund or share premium or any other sources or kind of fund) by the company to or any other person(s) or entity(ies), including foreign entity (intermediary) with the understanding, whether recorded in writing or otherwise, that intermediary shall, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or behalf of the company (ultimate beneficiary) or provide any guarantee, security or like on behalf of the ultimate beneficiary.
- (b) The Management has represented that, to the best of its knowledge and belief, no fund have been received by the company from any person(s) or entity including foreign entity (funding party), with the understanding whether recorded in writing or otherwise that the company shall directly or indirectly lend or invest in other person or entity identified any manner whatsoever by or on behalf funding party (ultimate beneficiary) or provide any guarantee, security or like that on behalf of the ultimate beneficiary
- (c) Based on audit procedure that has been considered reasonable and appropriate in circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (1) and (2) of rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The Company has not proposed dividend in the previous year and as such provisions of Section 123 of the Act is not required to be reported.
- (b) The Company has not declared any interim dividend during the year and until the date of this report.
- (c) The Board of Directors of the Company have not proposed any final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of



audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For and on Behalf of
M/s P.S. Thakare & co.
Chartered Accountants
FRN: 128572W



Bhagwat Thakre
Partner
Membership No. 127522

Place: Nagpur
Date : 28/05/2024
UDIN : 24127522 BKDG2 F2823



ANNEXURE – A - TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our independent auditor's report to the members of Emkay Tools Limited ("the Company"), on the Standalone Financial Statements for the period ended 31st March 2024, 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.
- (iii) The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during the period under reporting and no quarterly returns or statements are required to be filed by the company with such banks or financial institutions.
- (iv) 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.
- (v) 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.



- (vi) The company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31st, 2024 and thus the provisions of clause (v) of the Order are not applicable to the company.
- (vii) The company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (viii) 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.
- (ix) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (x) (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, if any, 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.
- (xi) (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 made any preferential allotment or private placement of equity shares during the year, the details of the same are as follows :

Sr. No.	Name of Person	Number of Shares	Value of Shares
1	Emkay Taps and Cutting Tools Limited	99940	99940.00
2	Anandita Kanoria	10	10.00
3	Satish Shesh	10	10.00
4	Vishnu Sontakke	10	10.00
5	Apoorvashree Kanoria	10	10.00
6	Alka Kanoria	10	10.00
7	Hemangi Joshi	10	10.00

- (xii) (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.



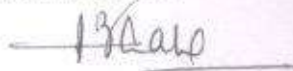
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have considered whistle-blower complaints, if any, received during the year by the company;
- (xiii) The company is not a Nidhi company and thus reporting under clause 3 (xii) of the Order is not applicable to the company.
- (xiv) 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.
- (xv) (a) The company has an internal audit system which commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were considered by us.
- (xvi) 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.
- (xvii) (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.
- (xviii) The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xix) We have not found any instances wherein the Statutory Auditor of the Company has resigned during the period under reporting.
- (xx) 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;
- (xxi) (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.

- (xxii) 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 Standalone Financial Statements.

For and on Behalf of
M/s P.S. Thakare & co.
Chartered Accountants
FRN: 128572W



Bhagwat Thakre
Partner
Membership No. 127522

Place: Nagpur
Date :28/05/2024



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 Tools Limited ("the Company") as of March 31, 2024 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, 2024, 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.

For and on Behalf of
M/s P.S. Thakare & co.
Chartered Accountants
FRN: 128572W



Bhagwat Thakre
Partner
Membership No. 127522
Place: Nagpur
Date :28/05/2024





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

EMKAY TOOLS LIMITED
BALANCE SHEET AS ON 31st MARCH 2024

In Rs. Thousands

PARTICULARS	Note. No.	Figures as at the end of 31st March 2024	Figures as at the end of 31st March 2023
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	100.00	-
(b) Reserves And Surplus	4	-	-
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	5	272.91	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	6	1.39	-
(d) Short-Term Provisions	7	15.00	-
Total :		389.30	-
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	8	21.25	-
(e) Other non-current assets	9	314.30	-
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash And Cash Equivalents	10	53.75	-
(e) Short-Term Loans And Advances		-	-
(f) Other Current Assets		-	-
Total :		389.30	-
Cash Flow Statement			
Significant Accounting Policies			
Notes forming Part of Balance Sheet		Note 1 & 2	
		Note 3 to 18	

For Emkay Tools Ltd.

As Per oUR Report of Even Date

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

Chartered Accountant

FRN 128572W

Ajayprakash Kanoria
Director

Alka Kanoria
Director

DIN No : 00041279

DIN No : 00041346



CA B. S. Thakare

Partner

Membership No. 127522

Place : Nagpur

Dated : 28/05/2024

UDIN : 24129522 BKJGZF2823



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

EMKAY TOOLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2024

In Rs Thousands

	PARTICULARS	Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
I.	Revenue From Operations		-	-
II.	Other Income		-	-
III.	Total Income		-	-
IV	<u>Expenses</u>			
(a)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
(b)	Cost of Raw Material Consumed		-	-
(c)	Cost of Stores Consumed		-	-
(d)	Cost of Packing Material Consumed		-	-
(f)	Manufacturing Expenses		-	-
(i)	Employee Benefit Expenses		-	-
(j)	Administration Expenses		-	-
(k)	Selling & Distribution Expenses		-	-
(l)	Finance Costs		-	-
(m)	Depreciation And Amortization 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 Expenses :			
(a)	Income Tax		-	-
(b)	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 After Tax	[XII - XIII]	-	-
XV	Profit / (Loss) For The Period	[XI + XIV]	-	-
XVI	Earning per equity share :			
(1)	Basic		-	-
(2)	Diluted		-	-

For Emkay Tools Ltd.

As Per My Report of Even Date Attached

Ajayprakash Kanoria
Director
DIN No : 00041279

Alka Kanoria
Director
DIN No : 00041346



For M/s P. S. Thakare & Co.
Chartered Accountant
FRN 128572W

B. S. Thakare
Partner
Membership No. 127522

Place : Nagpur

Dated : 28/05/2024 4127522 BKDGZF2823

UDIN :

EMKAY TOOLS LIMITED**Notes forming part of the financial statements**

Note	Particulars
1	<p>The Company is incorporated with the object of 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 has not started its operations as on the date of Balance Sheet.</p>
1.1	<p>The Company is a Unlisted Public Company Limited by Shares</p>
	<p>2 SIGNIFICANT ACCOUNTING POLICIES :</p>
2.1	<p>Basis of accounting and preparation of financial statements</p>
	<p>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 .</p>
	<p>The Financial Statements are presented in Indian Rupees, which the functional currency of the company. All Amounts have been rounded off to nearest lakhs, unless otherwise indicated.</p>
	<p>The Financial Statements have been presented as per Schedule of the Companies Act, 2013. The Company is not required to present Cash FLOW Statement as per a part of Financial Statements.</p>
2.2	<p>Use of estimates</p>
	<p>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.</p>
	<p>Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates, if any, are recognised propestively. Change in Estimates are reflected in Financial Statements in the period in which changes are made and, if material, their effects are disclosed in notes to the Financial Statements.</p>
2.3	<p>Revenue recognition</p>
	<p>The Company recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered or when delivered to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer. Revenues are recognised when collectability of the resulting receivable is reasonably assured.</p>
	<p>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.</p>



2.4 Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment

Property plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes purchase price, non refundable taxes and levies and other directly attributable costs of bringing the assets to its location and working condition for its intended use.

The cost of an item is recognised as an asset if, and only if, it is probable that the economic benefit associated with that item will flow to the company in future periods and the cost can be measured reliably. Expenditure incurred for the asset has been put into operations, such as repairs and maintenance expenses, are charged to the statement of profit and loss during the period in which they are incurred.

An item of asset is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets. Any gain or loss on disposal or retirement of the asset, is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Intangible Assets

Intangible assets that are acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any.

Depreciation and Amortisation

Depreciation has been provided on the value of Property, Plant and Equipment at the written down value method 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.

The useful lives is reviewed at least at each year end. Changes in expected useful lives are treated as change in accounting estimates.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Leasehold Land, if any, has been amortised over the period of lease.

Intangible Assets are amortized as per written down value method over the estimated useful economic life. Management has determined its estimates of useful economic life. The useful economic life of the intangible assets is reviewed at each financial year and adjusted prospectively.

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.

2.5 Earnings per share

Basic Earning 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.

Diluted Earning per Share

For the purposes of calculating Diluted Earning per share, the net profit or loss attributable to the Equity Shareholders and weighted average of the number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive and that either reduces the earning per share or increases loss per share are included.



2.6 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. Income tax expense is recognised in the statement of Profit and Loss. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the current year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax is the best estimate of the tax amount to be paid or received by the company which is measured at the rates of taxes enacted on the reporting date.

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.

2.7 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 is made only if, such a decline is other than temporary.

2.8 Inventory

The inventories, i.e. Raw Materials, Stores and spares, Finished Goods etc. have been valued 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.

2.9 Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and highly liquid investments with an original maturity of up to three months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.10 Borrowings

Borrowing are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and redemption amount is recognised in Statement of Profit and Loss. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use, are capitalized during the period of the time that is required to complete and prepare the asset for its intended use.

Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

2.11 Employee Benefits**a) Short Term 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. These benefits include salaries, performance incentives, bonus which are expected to occur in twelve months at end of the period in which the employee renders the related service.

2.12 Segment Reporting

The Company does not have any separate reportable Segment which is required to be prepared in accordance with the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.



2.13	Foreign Currency Transactions	<p>The Financial Statements of the company are presented in Indian Rupees, the function currency of the company.</p> <p>Transactions in Foreign currency, if any, are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences are recognised in the statement of Profit and Loss forming part of the financial statements of the company.</p>
3.14	Provisions	<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. The Accounting Standard - 29 issued has been duly followed while preparing the financial statement of the period.</p>
3.15	Contingent Liabilities and Commitments	<p>A Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the management. Contingent assets are neither recognised nor disclosed in the financial statements.</p>



EMKAY TOOLS LTD.**Note Forming Part of Balance Sheet As on 31st March 2024**

In Rs. Thousands

PARTICULARS	Figures as at the end of 31st March 2024		Figures as at the end of 31st March 2023	
	No. of Share	In Rs.	No. of Share	In Rs.
Note 3				
SHARE CAPITAL				
Authorised				
12500000 Equity share of Rs. 1/- each		12,500.00		-
Issued and Subscribed				
100000 Equity Share of Rs. 1/- each fully paid		100.00		-
Paid Up				
100000 Equity Share of Rs. 1/- each fully paid		100.00		-
TOTAL :		100.00		-

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

	Year Ended 31st March 2024		Year Ended 31st March 2023	
	No. of Share	In Rs.	No. of Share	In Rs.
Number of shares at the beginning of the year	-	-	-	-
Add : Alloted during the year				
On Preferential Basis	1,00,000.00	100.00	-	-
On Rights Issue	-	-	-	-
Less : Buy Back during the year	-	-	-	-
Number of shares at the end of the year	100000.00	100.00	-	-

3.2 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.

3.3 The Company has M/s Emkay Taps and Cutting Tools Limited as its holding company.

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

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

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

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

	Year Ended 31st March 2024		Year Ended 31st March 2023	
	No. of Share	% Holding	No. of Share	% Holding
1. Emkay Taps And Cutting Tools Limited	99940	99.94%	-	-

3.8 Details of Share holding by Promoters in the company.

Promoter Name	No. of Shares as on 31/03/2024	% of total shares	% Change during the year
1. Emkay Taps And Cutting Tools Limited	99940	99.94%	99.94%
TOTAL	99940	99.94%	



In Rs. Thousands

Particulars		Figures as on the end of 31st March 2024		Figures as on the end of 31st March 2023
Note 4 RESERVE AND SURPLUS : Profit & Loss Account				
Balance as per last Balance Sheet	-	-	-	-
Add : Profit/Loss During the year	-	-	-	-
Total :		-		-
Note 5 SHORT TERM BORROWINGS : Emkay Taps and Cutting Tools Ltd.	272.91	272.91	-	-
Total :		272.91		-
Note 6 OTHER CURRENT LIABILITIES : Liability For Expenses	1.39	1.39	-	-
Total :		1.39		-
Note 7 SHORT TERM PROVISIONS : For Others	15.00	15.00	-	-
Total :		15.00		-
Note - 8 LONG TERM LOANS AND ADVANCES (Advances recoverable in cash or in kind or for value to be received)				
a) Capital Advances (Unsecured and considered good)				
b) Security Deposits	21.25	21.25	-	-
c) Other Loans & Advances				
Total :		21.25		-
Note - 9 OTHER NON CURRENT ASSETS (Miscellaneous Expenses to the extent not written off)				
a) Preoperative Expenses		314.30		-
TOTAL :		314.30		-
Note 10 CASH AND CASH EQUIVALENTS : Cash in Hand (As certified by the Management)	-	-	-	-
Balances with Bank	53.75	53.75	-	-
Total :		53.75		-



NOTE : 11:**DIRECT TAXES**

The Company during the year has not undertaken any business activity and hence there is no Profit/Loss earned by the Company. Therefore Provision for Direct taxes is not required to be made.

NOTE : 12 :**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 : 13 :**VALUE OF IMPORTS ON CIF BASIS**

The Company has not imported any goods or services during the period under reporting.

NOTE : 14 :**EARNING IN FOREIGN CURRENCY**

The company did not undertake any transaction in foreign currency during the period under reporting.

NOTE : 15 :**RELATED PARTY DISCLOSURE****A. Key Management Persons :**

Ajayprakash Kanoria
Alka Kanoria
Mahesh Mor
Vishnu Sontakke
Aditya Kokil

B. Relatives of Key Management Persons :**C. Related Parties**

Details of Transactions with Above Parties NIL

NOTE : 16 :**AGEING SCHEDULE FOR TRADE PAYABLES AND RECEIVABLES****i) Ageing Schedule of Trade Payables**

The Company does not have any Trade Payables as on 31/03/2024

ii) Ageing Schedule of Trade Receivables

The Company does not have any Trade Receivables as on 31/03/2024

Note 17**ADDITIONAL REGULATORY INFORMATION****i) Title Deeds of Immovable Property not held in the name of the Company**

The company does 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 does not have any Cash Credit facility from any banking institution during the period under reporting.

vi) The quarterly returns of statements of current assets is not required to be filed by the Company with the Bank .

vi) Ratios			
Particulars	As on March 31st, 2024	As on March 31st, 2023	% Change
1. Current Ratio	0.186	-	-
2. Debt - Equity Ratio	-	-	-
3. Debt Service Coverage Ratio	-	-	-
4. Return on Equity Ratio	-	-	-
5. Net profit Ratio	-	-	-
NOTE : 18 :			
PREVIOUS YEAR FIGURES			
The previous year figures have been grouped and regrouped for better presentation.			

For Emkay Tools Ltd.

As Per oUR Report of Even Date

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

Chartered Accountant

FRN 128572W

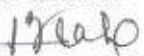

Ajayprakash Kanoria
Director

DIN No : 00041279


Alka Kanoria
Director

DIN No : 00041346




CA B. S. Thakare

Partner

Membership No. 127522

Place : Nagpur

Dated : 28/05/2024

UDIN : 24127522 BKDG2F2823



- Nagpur : Indo Unique Plaza, Opp. Bole Petrol Pump, VIP Road, Civil Lines, Nagpur - 440 001, (Maharashtra) INDIA Tel. : 0712 - 2520280, 6486032 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

Independent Auditors' Examination Report on the restated statements of assets and liabilities as at 30th September, 2024, restated statement of profits and losses (including other comprehensive income), restated statement of cash flows and changes in equity for period ending on 30th September, 2024, statement of significant accounting policies and other explanatory information of Emkay Tools Limited (collectively, the "Restated Financial Information").

To
The Board of Directors
Emkay Tools Limited

Dear Sirs:

1. We have examined the attached Restated Financial Information of **Emkay Tools Limited** (the "Company") annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Information Memorandum ("IM") in connection with proposed listing of its equity shares ("Proposed Listing"). The Company with its advisors having evaluated the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") have requested the statutory auditors vide its letter dated December 30, 2024 to examine these Restated Financial Information. The Restated Financial Information, which have been approved by the Board of Directors of the Company at their meeting held on January 13, 2025, have been prepared in accordance with the requirements of:
 - a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - b) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

Management's Responsibility for the Restated Financial Information

2. The preparation of the Restated Financial Information, which are to be included in the IM is the responsibility of the Management of the Company. The Restated Financial Information have been prepared by the Management of the Company on the basis of preparation, as stated in Note 3 to the Restated Financial Information. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Group complies with ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Financial Information taking into consideration:
 - a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated December 30, 2024, requesting us to carry out the assignment, in connection with the proposed listing of the Company;
 - b) the Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by ICAI.
 - c) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Financial Information; and
 - d) The requirements of the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the ICDR Regulations in connection with the proposed listing.





- 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

Restated Financial Information

4. These Restated Financial Information have been compiled by the management of the Company from:
 - a) Audited financial statements as at and for the period ended September, 30th, 2024 which were prepared in accordance with the Accounting Standard as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on January 13, 2025.
5. Based on our examination and according to the information and explanations given to us as at the end of period in respect of the Company, we report that Restated Financial Information of the Company:
 - i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the period ended September 30, 2024;
 - ii. there are no qualifications in the auditors' reports on the audited financial statements of the Company during previous periods which require any adjustments to the Restated Financial Information.
6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
7. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the audited financial statements mentioned in paragraph 4(a) above.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. Our report is intended solely for use of the Board of Directors for inclusion in the IM to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies Maharashtra in connection with the proposed listing. Our report should not be used, referred to, or distributed 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 report is shown or into whose hands it may come.

For P S Thakare and Co.
Chartered Accountants
ICAI Firm Registration Number: 128572W

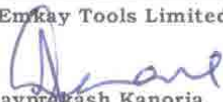
CA B S Thakare
Partner
Membership Number: 127522
UDIN: 25127522BMJABQ2590
Place : Nagpur
Date: 13/01/2025

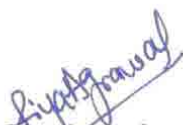


EMKAY TOOLS LIMITED
RESTATED FINANCIAL STATEMENT AS ON 30th SEPTEMBER 2024

PARTICULARS	Note. No.	As on 30th September 2024	As on 01st April 2024
<u>I. EQUITY AND LIABILITIES</u>			
(1) Shareholder's Funds			
(a) Share Capital	4	1,06,71,300.00	1,06,71,300.00
(b) Reserves And Surplus	5	57,16,28,924.15	36,97,45,744.82
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)	6	32,19,008.00	10,24,187.00
(4) Current Liabilities			
(a) Short-Term Borrowings	7	93,37,890.26	6,51,00,761.82
(b) Trade Payables	8	5,85,12,822.30	4,25,87,477.82
(c) Other Current Liabilities	9	5,49,54,379.51	5,77,33,727.76
(d) Short-Term Provisions	10	7,39,53,855.00	13,02,91,858.00
Total :		78,22,78,179.22	67,71,55,057.22
<u>II. ASSETS</u>			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Property, Plant and Equipment	11	10,65,25,715.43	11,46,03,393.19
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-Current Investments	12	4,13,468.63	4,00,546.63
(c) Deferred tax assets (net)			
(d) Long term loans and advances	13	35,04,681.50	31,86,581.50
(e) Other non-current assets	14	2,81,817.19	3,14,304.29
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	15	19,94,13,314.00	16,36,75,667.00
(c) Trade Receivables	16	26,03,25,316.38	23,67,57,574.41
(d) Cash And Cash Equivalents	17	16,48,876.72	12,29,155.31
(e) Short-Term Loans And Advances	18	1,95,57,987.75	1,26,37,053.57
(f) Other Current Assets	19	19,06,07,001.62	14,43,50,781.32
Total :		78,22,78,179.22	67,71,55,057.22
Cash Flow Statement		Note 1	
Significant Accounting Policies		Note 2 to 3	
Notes forming Part of Balance Sheet		Note 4 to 42	

For Emkay Tools Limited



Ajayprakash Kanoria
Managing Director
DIN No : 00041279


Riya Agrawal
Company Secretary


Sumit Gaidhane
Chief Finance Officer

As Per My Report of Even Date Attached

For M/s P. S. Thakare & Co.
Chartered Accountant
FRN 128572W


B. S. Thakare
Partner
Membership No. 127522



Place : Nagpur
Dated : 13/01/2025
UDIN : 25127522BMJABQ2590

EMKAY TOOLS LIMITED
RESTATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30th SEPTEMBER 2024

	PARTICULARS	Note No.	For the period ended 30th September 2024	For the year ended 1st April 2024
I.	Revenue From Operations	20	53,93,80,102.64	-
II.	Other Income	21	13,10,503.63	-
III.	Total Income		54,06,90,606.27	-
IV	Expenses			
(a)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(2,04,58,003.00)	-
(b)	Cost of Raw Material Consumed	23	8,23,85,745.60	-
(c)	Cost of Stores Consumed	24	1,17,70,530.56	-
(d)	Cost of Packing Material Consumed	25	57,93,808.00	-
(e)	Cost of Trading Goods Consumed	26	3,72,428.58	-
(f)	Manufacturing Expenses	27	11,80,44,135.67	-
(g)	Employee Benefit Expenses	28	3,27,25,777.24	-
(h)	Administration Expenses	29	2,34,78,038.30	-
(k)	Selling & Distribution Expenses	30	57,14,146.20	-
(l)	Finance Costs	31	5,97,439.13	-
(m)	Depreciation And Amortization Expenses	32	95,66,712.66	-
	Total Expenses :		26,99,90,758.94	-
V.	Profit Before Exceptional And Extraordinary Items And Tax	[III - IV]	27,06,99,847.33	-
VI.	Exceptional Items		-	-
VII.	Profit Before Extraordinary Items And Tax	[V - VI]	27,06,99,847.33	-
VIII.	Extraordinary Items		-	-
IX.	Profit Before Tax	[VII - VIII]	27,06,99,847.33	-
X.	Tax Expenses :			
(a)	Income Tax	33	6,66,21,847.00	-
(b)	Deferred Tax		21,94,821.00	-
XI.	Profit / (Loss) From The Period From Continuing Operations	[IX - X]	20,18,83,179.33	-
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]	20,18,83,179.33	-
XVI.	Earning per equity share :	34		
(1)	Basic		18.92	-
(2)	Diluted		18.92	-

For Emkay Tools Limited


Ajayprakash Kanoria
Managing Director
DIN No : 00041279

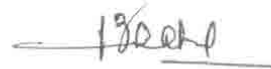

Anurag Agrawal
Company Secretary


Sumit Gaidhane
Chief Finance Officer



As Per My Report of Even Date Attached

For M/s P. S. Thakare & Co.
Chartered Accountant
FRN 128572W



B. S. Thakare
Partner

Membership No. 127522

Place : Nagpur
Dated : 13/01/2025
UDIN : 25127522BMJABQ2590

EMKAY TOOLS LIMITED

**NOTE 1
EMKAY TOOLS LIMITED
STATEMENT OF CASH FLOW**

Particulars	For the year ended	
	30.09.2024	01.04.2024
Cash Flow From Operating Activities:		
Profit before tax	27,06,99,847.33	-
Adjustment for:		
Depreciation & Amortisation Expenses	95,66,712.66	-
Preoperative Expenses Written off	31,313.00	-
Interest Paid	5,97,439.13	-
Interest Received / Other Non Operative Receipt	(37,312.63)	-
Operating Profit before Working Capital Changes	28,08,57,999.49	-
Movement in working capital		
Decrease / (Increase) in inventories	(3,57,37,647.00)	-
Decrease / (Increase) in trade receivable	(2,35,67,741.97)	-
Decrease / (Increase) in short term loans & advances	(69,20,934.18)	-
Decrease / (Increase) in other current assets	(11,70,62,138.30)	-
Increase / (Decrease) in trade payable	1,59,25,344.48	-
Increase / (Decrease) in other current liabilities	(27,79,348.25)	-
Increase / (Decrease) in short term provisions	28,46,068.00	-
Cash Generated from Operation	11,35,61,602.27	-
Taxes Paid (Net of Refunds)	(5,50,00,000.00)	-
Net Cash from Operating Activities	5,85,61,602.27	-
Cash Flow Used In Investing Activities:		
Fixed Asset Purchased (Net)	(14,83,757.47)	-
Interest Received / Other Non Operative Receipt	32,035.20	-
Adjustment for:		
Long Term Loan & Advances	(3,18,100.00)	-
Non Current Investments	(12,922.00)	-
Other Non Current Assets	1,174.10	-
Net Cash flow used in Investing Activities	(17,81,570.17)	-
Cash Flow From Financing Activities:		
Payment on Buy Back of Share Capital	-	-
Payment of Short term borrowings	(5,57,62,871.56)	-
Payment of Long term borrowings	-	-
Payment of Dividend and tax on it	-	-
Interest paid	(5,97,439.13)	-
Net Cash flow from Financing Activities	(5,63,60,310.69)	-
Net Increase / (Decrease) in Cash & Cash Equivalents	4,19,721.41	-
Cash & Cash Equivalents at the beginning of the year	12,29,155.31	-
Cash & Cash Equivalents at the end of the year	16,48,876.72	-

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 Tools Limited

Ajayprakash Kanoria
Ajayprakash Kanoria
Managing Director
DIN No : 00041279

Riya Agrawal
Riya Agrawal
Company Secretary

Sumit Gaidhane
Sumit Gaidhane
Chief Finance Officer



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

B. S. Thakare

B. S. Thakare
Partner
Membership No. 127522

Place : Nagpur
Dated : 13/01/2025
UDIN : 25127522BMJABQ2590

EMKAY TOOLS LIMITED
Notes forming part of the financial statements

Note	Particulars
2	The Company is incorporated with the object of 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 has not started its operations as on the date of Balance Sheet.
2.1	The Company is a Unlisted Public Company Limited by Shares
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.
	The Financial Statements are presented in Indian Rupees, which the functional currency of the company. All Amounts have been rounded off to nearest lakhs, unless otherwise indicated.
	The Financial Statements have been presented as per Schedule of the Companies Act, 2013. The Company is not required to present Cash Flow Statement as per a part of Financial Statements.
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.
	Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates, if any, are recognised prospectively. Change in Estimates are reflected in Financial Statements in the period in which changes are made and, if material, their effects are disclosed in notes to the Financial Statements.
3.3	Revenue recognition
	The Company recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered or when delivered to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer. Revenues are recognised when collectability of the resulting receivable is reasonably assured.
	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.
3.4	Property, Plant and Equipment and Intangible Assets
	Property, Plant and Equipment Property plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes purchase price, non refundable taxes and levies and other directly attributable costs of bringing the assets to its location and working condition for its intended use.
	The cost of an item is recognised as an asset if, and only if, it is probable that the economic benefit associated with that item will flow to the company in future periods and the cost can be measured reliably. Expenditure incurred for the asset has been put into operations, such as repairs and maintenance expenses, are charged to the statement of profit and loss during the period in which they are incurred.

An item of asset is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets. Any gain or loss on disposal or retirement of the asset, is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.
Intangible Assets Intangible assets that are acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any.
Depreciation and Amortisation



Depreciation has been provided on the value of Property, Plant and Equipment at the written down value method 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.

The useful lives is reviewed at least at each year end. Changes in expected useful lives are treated as change in accounting estimates.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Leasehold Land, if any, has been amortised over the period of lease.

Intangible Assets are amortized as per written down value method over the estimated useful economic life. Management has determined its estimates of useful economic life. The useful economic life of the intangible assets is reviewed at each financial year and adjusted prospectively.

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.

3.5 Earnings per share

Basic Earning 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.

Diluted Earning per Share

For the purposes of calculating Diluted Earning per share, the net profit or loss attributable to the Equity Shareholders and weighted average of the number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive and that either reduces the earning per share or increases loss per share are included.

3.6 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. Income tax expense is recognised in the statement of Profit and Loss. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the current year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax is the best estimate of the tax amount to be paid or received by the company which is measured at the rates of taxes enacted on the reporting date.



	<p>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.</p>
3.7	<p>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 is made only if, such a decline is other than temporary.</p>
3.8	<p>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.</p>
3.9	<p>Cash and Cash Equivalents Cash and cash equivalents comprises cash on hand, demand deposits and highly liquid investments with an original maturity of up to three months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.</p>
3.10	<p>Borrowings Borrowing are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and redemption amount is recognised in Statement of Profit and Loss. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use, are capitalized during the period of the time that is required to complete and prepare the asset for its intended use.</p> <p>Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.</p>
3.11	<p>Employee Benefits a) Short Term 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. These benefits include salaries, performance incentives, bonus which are expected to occur in twelve months at end of the period in which the employee renders the related service.</p>
3.12	<p>Segment Reporting The Company does not have any separate reportable Segment which is required to be prepared in accordance with the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.</p>
3.13	<p>Foreign Currency Transactions The Financial Statements of the company are presented in Indian Rupees, the function currency of the company.</p> <p>Transactions in Foreign currency, if any, are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences are recognised in the statement of Profit and Loss forming part of the financial statements of the company.</p>
3.14	<p>Provisions 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. The Accounting Standard - 29 issued has been duly followed while preparing the financial statement of the period.</p>
3.15	<p>Contingent Liabilities and Commitments A Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the management. Contingent assets are neither recognised nor disclosed in the financial statements.</p>



EMKAY TOOLS LIMITED

Note Forming Part of Restated Financial Statement as on 30th September 2024

PARTICULARS	As on 30th September 2024		As on 01st April 2024	
	No. of Share	In Rs.	No. of Share	In Rs.
Note 4				
SHARE CAPITAL				
Authorised 1,25,00,000 Equity share of Rs. 1/- each		1,25,00,000.00		1,25,00,000.00
Issued and Subscribed Share Capital Pending Allotment		1,06,71,300.00		1,06,71,300.00
Paid Up Share Capital Pending Allotment		1,06,71,300.00		1,06,71,300.00
TOTAL :		1,06,71,300.00		1,06,71,300.00
4.1 Reconciliation of number of shares outstanding at the beginning and at the year of the year				
	As on 30th September 2024		As on 1st April 2024	
Share Capital Pending Allotment	10671300	1,06,71,300.00	10671300	1,06,71,300.00
Number of shares at the end of the year	10671300	1,06,71,300.00	10671300	1,06,71,300.00
4.2 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.				
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.				



Particulars		As on 30th September 2024		As on 01st April 2024
Note 5				
RESERVE AND SURPLUS :				
Sicom Capital Incentive Reserve				
Balance as per last Balance Sheet	29,75,000.00		29,75,000.00	
Add : Addition during the year	-	29,75,000.00	-	29,75,000.00
D.C.V.L. Subsidy				
Balance as per last Balance Sheet	9,70,900.00		9,70,900.00	
Add : Addition during the year	-	9,70,900.00	-	9,70,900.00
Industrial Promotion Subsidy (From Govt. of Maharashtra under Package Scheme)				
Balance as per last Balance Sheet	3,36,64,030.00		3,36,64,030.00	
Add : Addition during the year	-	3,36,64,030.00	-	3,36,64,030.00
Profit & Loss Account				
Balance as per last Balance Sheet	33,21,35,814.82		-	
Profit & Loss Account			33,21,35,814.82	
Add : Profit During the year	20,18,83,179.33	53,40,18,994.15	-	33,21,35,814.82
Total :		57,16,28,924.15		36,97,45,744.82
Note 6				
DEFERRED TAX LIABILITIES				
Liabilities arising out of Fixed Assets				
Balance as per Last Balance Sheet	10,24,187.00		-	
Add:- Deferred Tax liability transfer from Emkay Taps & Cutting Tools Ltd.	-		10,24,187.00	
Liability Created During the Year	21,94,821.00	32,19,008.00	-	10,24,187.00
Total :		32,19,008.00		10,24,187.00
Note 7				
SHORT TERM BORROWINGS :				
ICICI Bank Ltd :				
Cash Credit Account No. : 624251000017 (Secured Against Hypothecation of Entire Current Assets including Inventory, book debts & Receivable)	90,51,064.26		6,35,77,852.61	
ICICI Bank Ltd :			12,50,000.21	
Current Maturity of Long Term Loan due within 12 months (Secured against Equitable mortgage of Building and Plant & Machinery)	-			
Emkay Taps and Cutting Tools Ltd.	2,86,826.00	93,37,890.26	2,72,909.00	6,51,00,761.82
Total :		93,37,890.26		6,51,00,761.82



Note 8				
TRADE PAYABLES :				
Due to :				
Micro and Small Enterprises	46,26,621.40		2,49,363.54	
Other Payables	4,32,48,965.90		3,19,83,055.28	
Related Party	1,06,37,235.00	5,85,12,822.30	1,03,55,059.00	4,25,87,477.82
(Refer Note No 43 for Trade payables ageing Schedule)				
Total :		5,85,12,822.30		4,25,87,477.82
Note 9				
OTHER CURRENT LIABILITIES :				
Deposits & Advances Received	11,12,331.53		12,29,590.94	
Liability For Expenses	3,98,34,382.11		2,33,56,681.40	
Statutory Liabilities	1,34,93,843.28		3,27,59,230.64	
Other Credit Balances	5,13,822.59	5,49,54,379.51	3,88,224.78	5,77,33,727.76
Total :		5,49,54,379.51		5,77,33,727.76
Note 10				
SHORT TERM PROVISIONS :				
For Employee Benefits	54,79,296.00		28,10,467.00	
For Others	6,84,74,559.00	7,39,53,855.00	12,74,81,391.00	13,02,91,858.00
Total :		7,39,53,855.00		13,02,91,858.00



Note No : 11
PROPERTY, PLANT & EQUIPMENT

PARTICULARS	RATE OF DEP.	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		BALANCE AS ON 01-04-2024	ADDITION DURING THE YEAR	SALE / TRANSFER DURING THE YEAR	BALANCE AS ON 30-09-2024	BALANCE AS ON 01-04-2024	DEPRECIATION DURING THE YEAR	DEPRECIATION REVERSED	BALANCE AS ON 30-09-2024	BALANCE AS ON 30-09-2024	BALANCE AS ON 01-04-2024
Land No. 1	0.00%	13,50,000.00			13,50,000.00	-			-	13,50,000.00	13,50,000.00
Land No. 2	0.00%	7,66,710.00			7,66,710.00	-			-	7,66,710.00	7,66,710.00
Building No. 1	9.50%	3,31,05,795.89	-	-	3,31,05,795.89	1,72,58,535.20	7,55,188.24	-	1,80,05,723.44	1,51,00,072.45	1,58,55,260.69
Building No. 2	9.50%	38,33,547.56	-	-	38,33,547.56	30,87,042.94	35,586.12	-	31,22,599.06	7,10,948.50	7,46,504.62
Furniture & Fixture	25.89%	52,43,301.90	-	-	52,43,301.90	38,81,015.38	1,66,235.45	-	40,47,248.83	11,96,053.07	13,62,286.52
Mobile Phone	63.16%	2,86,753.38	1,13,042.36	-	3,99,795.74	2,58,365.96	32,016.82	-	2,90,382.78	1,09,412.96	28,387.42
Office Equipments	45.07%	30,43,361.22	1,43,508.33	-	31,86,869.55	26,62,601.30	80,403.88	-	27,43,005.18	4,43,864.37	3,80,759.92
Plant & Machinery	18.10%	31,72,64,578.98	-	-	31,72,64,578.98	23,87,20,195.94	70,77,759.95	-	24,57,07,955.89	7,14,66,623.09	7,85,44,383.04
Generator	18.10%	8,97,150.00	-	-	8,97,150.00	8,52,292.50	-	-	8,52,292.50	44,857.50	44,857.50
Compressors	18.10%	35,18,404.41	7,75,000.00	-	42,93,404.41	23,40,238.15	1,05,275.77	-	24,45,513.92	18,47,890.49	11,78,166.26
Transformers	18.10%	9,92,788.00	-	-	9,92,788.00	6,68,908.89	29,159.96	-	6,98,068.85	2,94,719.15	3,23,879.11
Transport Trolleys	18.10%	61,830.00	-	-	61,830.00	49,573.81	1,112.22	-	50,686.03	11,143.97	12,256.19
Coolant Tower (L-6)	18.10%	8,12,499.79	-	-	8,12,499.79	5,13,254.49	27,155.90	-	5,40,410.39	2,73,089.40	2,99,245.30
Coolant Tower (B-27)	18.10%	9,94,452.67	-	-	9,94,452.67	4,33,010.14	50,949.76	-	4,83,959.90	5,10,492.77	5,61,442.53
Air Conditioners	18.10%	26,06,490.91	-	-	26,06,490.91	20,21,728.58	49,671.88	-	20,71,400.46	5,35,090.45	5,84,762.33
Elevator (Lift)	18.10%	6,73,728.82	3,33,500.00	-	10,07,228.82	3,93,540.10	27,245.72	-	4,20,785.82	5,86,443.00	2,80,188.72
Computers	63.16%	48,30,806.83	14,406.78	-	48,51,273.61	42,16,534.47	1,57,322.12	-	43,73,856.49	4,77,417.12	6,20,332.46
Computer Software	63.16%	6,00,236.96	-	-	6,00,236.96	5,70,225.11	-	-	5,70,225.11	30,011.85	30,011.85
Inspection Equipments	18.10%	52,50,907.24	-	-	52,50,907.24	38,10,889.78	1,29,626.07	-	39,40,515.85	13,10,391.39	14,40,017.46
Electricals Installations	25.89%	35,66,384.85	-	-	35,66,384.85	30,35,197.47	58,953.78	-	30,94,151.25	4,72,233.60	5,31,187.38
Fax Machine	18.10%	-	-	-	-	-	-	-	-	-	-
Pollution Control Equipment	18.10%	12,49,783.50	-	-	12,49,783.50	10,54,228.27	14,803.86	-	10,69,032.13	1,80,751.37	1,95,555.23
Motor Car	31.23%	1,27,01,422.80	-	-	1,27,01,422.80	94,84,316.18	4,65,792.86	-	99,50,109.04	27,51,313.76	32,17,106.62
Lander E-Cart (Electric Rick)	31.23%	1,17,816.08	-	-	1,17,816.08	98,007.98	3,101.51	-	1,04,109.49	16,706.59	19,808.10
Motor Cycle	25.89%	2,51,909.00	1,10,300.00	58,340.00	3,09,869.00	1,79,089.32	18,624.24	51,617.43	1,46,096.13	1,63,772.87	72,819.68
Fire Safety Equipment	18.10%	10,37,140.32	-	-	10,37,140.32	4,80,869.30	50,480.45	-	5,31,349.75	5,05,790.57	5,56,271.02
Solar Plant	8.20%	72,48,915.44	-	-	72,48,915.44	16,47,722.20	2,30,278.10	-	18,78,000.30	53,70,915.14	56,01,193.24
TOTAL (A) :		41,23,12,776.55	14,95,757.47	58,340.00	41,37,50,194.02	29,77,09,383.36	95,66,712.66	51,617.43	30,72,24,478.59	10,65,25,715.43	11,46,03,393.19
PREVIOUS YEAR :		43,13,63,100.95	19,73,166.13	2,10,23,490.53	41,23,12,776.55	29,36,45,060.75	2,33,19,741.29	1,92,55,418.68	29,77,09,383.36	11,46,03,393.19	13,77,18,040.20



Note 12				
NON-CURRENT INVESTMENTS :				
a) In Fixed Deposit Receipts	4,13,468.63	4,13,468.63	4,00,546.63	4,00,546.63
Total :		4,13,468.63		4,00,546.63
Note - 13				
LONG TERM LOANS AND ADVANCES				
(Advances recoverable in cash or in kind or for value to be received)				
a) Capital Advances	22,000.00		22,000.00	
(Unsecured and considered good)				
b) Security Deposits	34,82,681.50		31,64,581.50	
c) Other Loans & Advances	-	35,04,681.50	-	31,86,581.50
TOTAL :		35,04,681.50		31,86,581.50
Note - 14				
OTHER NON CURRENT ASSETS				
(Miscellaneous Expenses to the extent not written off)				
a) Preoperative Expenses		2,81,817.19		3,14,304.29
TOTAL :		2,81,817.19		3,14,304.29
Note - 15				
INVENTORIES :				
(Valued at Lower of Cost or Realisable Value as Certified by the Management)				
Raw Material	7,35,85,438.00		5,79,09,618.00	
Consumable Stores	23,20,705.00		27,03,169.00	
Work In Progress	2,87,83,908.00		1,07,51,835.00	
Finished Goods	9,30,60,765.00		9,08,12,005.00	
Trading Goods	12,37,038.00		12,50,750.00	
Scrap Material (At Estimated Realisable Value)	4,25,460.00	19,94,13,314.00	2,48,290.00	16,36,75,667.00
TOTAL :		19,94,13,314.00		16,36,75,667.00
Note 16				
TRADE RECEIVABLES :				
a) Secured & Considered Good	-		-	
b) Unsecured & Considered Good	26,03,25,316.38		23,67,57,574.41	
c) Considered Doubtful	-	26,03,25,316.38	-	23,67,57,574.41
(Refer Note No. 43 for Trade Receivables ageing Schedule)				
TOTAL :		26,03,25,316.38		23,67,57,574.41
Note 17				
CASH AND CASH EQUIVALENTS :				
Cash in Hand (As certified by the Management)	6,30,039.93		4,90,554.93	
Balances with Bank	10,18,836.79	16,48,876.72	7,38,600.38	12,29,155.31
TOTAL :		16,48,876.72		12,29,155.31
Note 18				
SHORT TERM LOANS AND ADVANCES :				
Advances with the Suppliers	1,64,82,683.86		1,02,77,608.26	
Loans & Advances to Staff	7,09,341.00		13,68,279.00	
Other Advances	23,65,962.89	1,95,57,987.75	9,91,166.31	1,26,37,053.57
TOTAL :		1,95,57,987.75		1,26,37,053.57



Note 19				
OTHER CURRENT ASSETS :				
Advances with Revenue Authorities	7,37,43,990.69		14,41,19,239.29	
Other Debit Balances	11,68,63,010.93	19,06,07,001.62	2,31,542.03	14,43,50,781.32
TOTAL :		19,06,07,001.62		14,43,50,781.32
Note 20				
REVENUE FROM OPERATIONS :				
1. Domestic Sale				
<u>Sale of Taps & Tools</u>				
a) Sales	60,06,96,001.70			
b) Deemed Export Sales (SEZ)	16,52,872.00			
Total:-	60,23,48,873.70			
Less : CGST Receipts	1,56,53,780.08			
: SGST Receipts	1,56,53,780.08			
: IGST Receipts	6,02,91,469.18			
: Discount & Rate Difference	1,03,68,652.77			
: Sales Return	16,16,998.26			
: T.C.S. Receipts	2,13,354.36	49,85,50,838.97		-
2. Export Sale				
a) Sale of Taps & Tools	3,97,86,905.03	3,97,86,905.03		-
3. Trading Sale				
a) Trading Sale	2,56,159.82			
Less : CGST, SGST, IGST & TCS	39,075.28			
Less : Sales Return	8,625.40	2,08,459.14		-
4. Scrap Sale				
a) Scrap Sale	9,92,341.50			
Less : CGST, SGST, IGST & TCS	1,58,442.00	8,33,899.50		-
5. Power Generation Unit Sale				
TOTAL :		53,93,80,102.64		-
Note 21				
OTHER INCOME :				
Duty Draw Back Receipts		6,75,203.00		
Rodtep Duty Receipts		4,76,988.00		
Exchange Rate Fluctuation		18,279.20		
F.D.R. Interest Received		13,756.00		
Sales Tax Refund Received		16,644.00		
Profit on Sale of Vehicle		5,277.43		
Reimbursement of Stipend		1,04,356.00		
TOTAL :		13,10,503.63		-
Note 22				
CHANGES IN INVENTORY :				
1. Finished Goods :				
Opening stock	9,08,12,005.00		-	
Less : Closing stock	9,30,60,765.00	(22,48,760.00)	-	
2. Work-In-Progress :				
Opening stock	1,07,51,835.00		-	
Less : Closing stock	2,87,83,908.00	(1,80,32,073.00)	-	



3. Scrap Material :				
Opening stock	2,48,290.00		-	
Add : Purchase of Scrap	-		-	
	2,48,290.00		-	
Less : Closing stock	4,25,460.00	(1,77,170.00)	-	
TOTAL :		(2,04,58,003.00)		
Note 23				
COST OF RAW MATERIAL CONSUMED :				
Opening Stock	5,79,09,618.00		-	
Add : Purchase of Raw Material	9,76,15,874.42		-	
Add : Purchase of HSS Taps	4,45,691.18		-	
	15,59,71,183.60		-	
Less : Closing Stock of Raw Material	7,35,85,438.00	8,23,85,745.60	-	
TOTAL :		8,23,85,745.60		
Note 24				
COST OF STORES CONSUMED :				
Opening Stock	27,03,169.00		-	
Add : Purchase of Consumable Stores	1,13,88,066.56		-	
Less : Closing stock of Consumable Stores	23,20,705.00	1,17,70,530.56	-	
TOTAL :		1,17,70,530.56		
Note 25				
COST OF PACKING MATERIAL CONSUMED :				
Purchases		57,93,808.00		
TOTAL :		57,93,808.00		
Note 26				
COST OF TRADING GOODS CONSUMED				
Opening Stock	12,50,750.00		-	
Add : Purchase of Trading Goods	3,58,716.58		-	
Less : Closing stock of Trading Goods	12,37,038.00	3,72,428.58	-	
TOTAL :		3,72,428.58		
Note 27				
MANUFACTURING EXPENSES :				
Building Repairs		9,42,325.94		
Electricity Charges		1,10,45,330.00		
Freight & Octroi		3,83,742.07		
Job Work Expenses		9,89,81,270.29		
Repairs and Maintenance		65,70,532.47		
Testing Expenses		6,052.00		
Water Charges		1,14,882.90		
TOTAL :		11,80,44,135.67		
Note 28				
EMPLOYEE BENEFIT EXPENSES :				
Bonus		27,22,665.00		
E. S. I. C.		59,660.00		
Exgratia		12,05,122.00		
Incentive A/c.		45,66,384.00		
Labour Welfare		8,42,049.24		
Leave with Wages		1,53,682.00		
Medical Expenses		28,086.00		
Provident Fund		8,37,153.00		
Salary and Wages		2,23,10,976.00		
TOTAL :		3,27,25,777.24		



Note 29				
ADMINISTRATION EXPENSES :				
Bank Charges	2,54,337.93			
Books and Periodicals	1,140.00			
Car Expenses	3,18,089.32			
Computer Software Expenses	1,95,236.00			
Conveyance Expenses	9,96,697.00			
Consultancy Fees	59,500.00			
Director Travelling Expenses	20,89,266.42			
Insurance	1,47,727.00			
Interest on Service Tax, GST & TDS	24,289.90			
Internet / Website Expenses	1,45,843.22			
Legal and Professional Expenses	1,75,099.00			
Membership Fees and Subscription	1,05,000.00			
Office Expenses	3,02,892.68			
Postage & Telegram Expenses	1,10,184.00			
Printing and Stationery	3,06,921.28			
Preoperative Expenses Written off	31,313.00			
Rent, Rates and Taxes	3,19,520.00			
Security Service Charges	4,25,006.00			
Sundry Balances W/Off	4,374.13			
Telephone Expenses	1,62,944.28			
Traveling Expenses	13,62,852.14	75,38,233.30		
Payment to Directors				
- For Remuneration	1,35,39,805.00			
- For Salary	24,00,000.00			
- For Sitting Fees	-	1,59,39,805.00		
Payment to Auditors				
- For Audit	-			
- For Taxation	-			
- For Consultancy & Others	-			
TOTAL :		2,34,78,038.30		
Note 30				
SELLING AND DISTRIBUTION EXPENSES :				
Advertisement		99,443.34		
Carriage Outward		32,56,466.56		
Commission on Sales		13,99,999.76		
Entertainment Expenses		21,606.00		
Hospitality Expenses		43,505.00		
Sales Promotion		1,93,125.54		
Sales Promotion & Consultancy Charges		7,00,000.00		
TOTAL :		57,14,146.20		
Note 31				
FINANCE COST :				
Bank Interest		5,74,964.00		
Interest on Term Loan		22,475.13		
TOTAL :		5,97,439.13		
Note 32				
DEPRECIATION & AMORTISATION EXPENSES :				
Depreciation for the Year	95,66,712.66			
Less:- Depreciation reversed		95,66,712.66		
TOTAL :		95,66,712.66		



Note 33				
INCOME TAX EXPENSES :				
Current Year Income Tax Provision		6,66,21,847.00		
Add : Tax for Earlier Year		-		
: Short Provision of Income Tax of Earlier Year		-		
Less : Excess provision of income Tax Earlier Year		-		
TOTAL :		6,66,21,847.00		-
Note 34				
EARNING PER SHARE				
(A) Profit for the Year		20,18,83,179.33		
(B) Weighted Average Number of Shares		10671300.00		
Basic Earning Per Share		18.92		-
Diluted Earning per Share		18.92		-

For Emkay Tools Limited

Ajayprakash Kanoria
Ajayprakash Kanoria
Managing Director
DIN No : 00041279

Riya Agrawal
Riya Agrawal
Company Secretary

Sunil Gaidhane
Sunil Gaidhane
Chief Finance Officer



As Per My Report of Even Date Attached

For M/s P. S. Thakare & Co.
Chartered Accountant
FRN 128572W

B. S. Thakare

B. S. Thakare
Partner
Membership No. 127522

Place : Nagpur
Dated : 13/01/2025
UDIN : 25127522BMJABQ2590

Note 35
EMPLOYEE COSTS

Particulars	As on September 30th,	As on April 01st,
	2024	2024
Salary Allowances & Others	3,18,28,964.24	-
Defined contribution plan	8,96,813.00	-
Defined benefit plan/other long term benefits	-	-
Share based compensation	-	-
Total	3,27,25,777.24	-

Note 36
INCOME TAXES

The major components of the Income Tax Expenses are Follows :

Particulars	As on September 30th,	As on April 01st,
	2024	2024
Current Income Tax		
in India	6,66,21,847.00	-
Overseas	-	-
Deferred Tax		
Relating to origination and reversal of temporary differences	21,94,821.00	-
Relating to changes in tax rates	-	-
Tax expense attributable to current year's profit (A) :-	6,88,16,668.00	-
Adjustments in respect of income tax of previous year :		
Current income tax		
in India	-	-
Overseas	-	-
Total (B) :-	-	-
Total (A+B) :-	6,88,16,668.00	-

The company during the Period has earned a profit of Rs. 27,06,99,847.33. A provision of Rs. 6,66,21,847.00 for Income Tax as required by Income Tax Act, 1961 has been made in the Books of Account.

Note 37
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 38
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 period ended September 30th, 2024 and post demerger period as on 1st April, 2024, respectively are described below :

RELATED PARTY DISCLOSURE

A. Key Management Persons :

Mr. Ajay Prakash Kanoria
Mrs. Alka Kanoria
Mr. Sumit Gaidhane
Mrs. Riya Sarang Agrawal

B. Relatives of Key Management Persons :

Apoorvashree Kanoria
Anandita Kanoria

B. Related Parties

Emkay Taps & Cutting Tools Ltd.
Nagpur Tools Pvt. Ltd.
Adishree Engineering Pvt. Ltd.

Summary of Transactions with Above Parties :



Particulars	As on September 30th, 2024	As on April 1st, 2024
a. Transactions for the period		
<u>Nagpur Tools Pvt. Ltd. :-</u>		
Job Work Expenses (Gross Including Taxes)	5,79,93,463.00	-
<u>Adishree Engineering Pvt. Ltd.</u>		
Job Work Expenses (Gross Including Taxes)	47,34,912.00	-
<u>Emkay Taps & Cutting Tools Ltd. :-</u>		
Loan Taken	13,917.00	2,72,909.00

Closing Balance	As on September 30th, 2024	As on April 1st, 2024
Due from		
Due to:-		
Ajayprakash Kanoria	1,19,66,613.81	50,94,056.81
Alka Ajayprakash Kanoria	91,03,851.58	44,78,127.58
Nagpur Tools Pvt. Ltd.	99,46,870.00	96,47,629.00
Adishree Engineering Pvt. Ltd.	6,90,365.00	7,07,430.00

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 September 30th, 2024	As on April 1st, 2024
1) Ajayprakash Kanoria		
Salary	18,00,000.00	-
Remuneration	81,23,881.00	-
2) Alka Kanoria		
Salary	6,00,000.00	-
Remuneration	54,15,924.00	-
Total	1,59,39,805.00	-

Note 39 CONTINGENCIES		
Particulars	As on September 30th, 2024	As on April 1st, 2024
(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 40**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	1,52,14,739.40	49,117.00	-	-	1,52,63,856.40
(ii) Others	4,32,48,965.90	-	-	-	4,32,48,965.90
(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	25,66,59,718.05	2,84,039.00	12,66,452.85	13,22,599.00	7,92,507.48	26,03,25,316.38
(ii) Undisputed Trade Receivables - considered doubtful						-
(iii) Disputed Trade Receivables - considered good						-
(iv) Disputed Trade Receivables - considered doubtful						-

Note 41**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 during the period under reporting has obtained Cash Credit facility from ICICI Bank.

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

vii) Ratios

Particulars	As on September 30th. 2024	As on April 1st 2024	% Change in Ratio
1. Current Ratio	3.413	1.889	
2. Debt - Equity Ratio	-	-	
3. Debt Service Coverage Ratio	-	-	
4. Inventory Turnover Ratio	2.97	-	
5. Net Capital Turnover Ratio	1.46	-	
6. Return on Equity Ratio	34.67%	-	
7. Net profit Ratio	37.43%	-	

viii) 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 42

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 Tools Limited

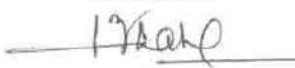

Ajayprakash Kanoria
Managing Director
DIN No : 00041279


Ravi Agrawal
Company Secretary


Sumit Gaidhane
Chief Finance Officer



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


B. S. Thakare
Partner
Membership No. 127522

Place : Nagpur
Date : 13/01/2025
UDIN : 25127522BMJABQ2590

CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2024, derived from our Restated Financial Statements and as adjusted for the Offer. This table below should be read in conjunction with the sections titled 'Risk Factors', 'Financial Information' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations', beginning on page 20, 96 and 99 respectively of this Draft Information Memorandum.

(Amount ₹ in thousands)

Particulars	As at September 30, 2024
Borrowings	
Current Borrowings	9,337.89
Non-Current Borrowings	-
Total Borrowings (A)	9,337.89
Shareholder's Funds	
Equity Share Capital	10,671.30
Reserve and Surplus	5,71,628.92
Total Shareholder's Funds (B)	5,82,300.23
Non-Current Borrowings/Total Shareholder's Funds Ratio (times)	-
Total Borrowings/Total Shareholder's Funds Ratio (A/B) (times)	0.02

Note:

Short-term borrowings implies borrowings repayable within 12 months from the Balance Sheet date and also includes the current maturities of long-term borrowings. Long-term borrowings are debts other than short-term borrowings.

The above has been computed on the basis on amounts derived from the Restated Financial Statements as on September 30, 2024.

OTHER FINANCIAL INFORMATION

The accounting ratios of our Company based on Restated Financial Statements as required under the SEBI ICDR Regulations are provided below:

Particulars	As at/for the period/financial year ended	
	September 30, 2024 [^]	March 31, 2024
Profit After Tax attributable to the equity shareholders (₹ in thousands)	2,01,883.18	-
Basic & Diluted Earnings per Share (Based in Weighted Average Number of Shares)	18.92	-
Return on Net Worth for equity shareholders (%)	34.67%	0.00%
Net Asset Value per Equity Shares	54.57	35.65
Earnings before interest, tax, depreciation and amortization (EBITDA) (₹ in thousands)	2,79,553.50	-

Value in brackets represents negative value.

[^]Not Annualised

Notes

The ratios on the basis of Restated Financial Statements have been computed as below:

Basic and Diluted Earnings per share (₹)	Net profit/(loss) attributable to Shareholders divided by Weighted average number of Equity Shares outstanding during the year
Return on Net Worth (%)	Net profit after tax for the year attributable to the owners of the Company divided by Net worth of the Company
Net Asset Value per Equity Share	Net worth of the Company divided Number of Equity shares outstanding at the end of year
EBITDA	Profit/(loss) after tax for the respective Fiscal plus tax expenses plus finance costs plus depreciation and amortization less Other Income

Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. Further, number of shares are after considering impact of the bonus shares

Net worth as per the SEBI ICDR Regulations means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our financial information as of for the six months period ended on September 30, 2024 and financial year ended March 31, 2024, all prepared in accordance with the Companies Act and Indian GAAP, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled '*Financial Information*' beginning on page 96 of this Draft Information Memorandum. Unless otherwise stated, the financial information used in this section is derived from the restated financial statements of our Company.

The Scheme of Arrangement for the demerger of the Demerged Undertaking (*as 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 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 and consequential issue of New shares of the Resulting Company to the Shareholders of Emkay Taps And Cutting Tools Limited was approved by Board of Directors of respective companies at their meetings held on June 29, 2023. Observations letters from NSE in relation to the Scheme were granted vide their letters each dated September 22, 2023. The Scheme was approved by shareholders and creditors at their meetings held on May 02, 2024. Further, Hon'ble NCLT has, vide an order dated October 28, 2024 (certified true copy of the order was received November 12, 2024), sanctioned the Scheme.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled '*Forward Looking Statements*' and '*Risk Factors*' beginning on page 15 and 20 respectively, of this Draft Information Memorandum.

These restated financial statements have been prepared in accordance with AS and the Companies Act. AS differs in certain significant respects from U.S. GAAP and IFRS. We have neither attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Information Memorandum nor do we provide a reconciliation of our restated financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the AS restated financial statements included in this Draft Information Memorandum will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, AS and the SEBI ICDR Regulations. Any reliance on the financial disclosure in this Draft Information Memorandum, by persons not familiar with Indian Accounting Practices, should accordingly be limited.

References to the "*Company*", "*we*", "*us*" and "*our*" in this chapter refer to Emkay Tools Limited, as applicable in the relevant fiscal period, unless otherwise stated.

OVERVIEW OF OUR BUSINESS

Our Company is incorporated as an unlisted public company, "Emkay Tools Limited" under the provisions of Companies Act, 2013 in Nagpur, Maharashtra, India vide Certificate of Incorporation dated April 25, 2023. Our Company was incorporated as a Wholly Owned Subsidiary of Emkay Taps and Cutting Tools Limited.

Emkay Taps and Cutting Tools Limited is engaged in 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.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

This is not applicable since the Company has not initiated its business operations.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled 'Financial Information' beginning on page 96 of this Draft Information Memorandum.

RESULTS OF OUR OPERATIONS & PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT

The following discussion on the results of operations should be read in conjunction with the Restated Financial Statements of the Company for the six months period ended on September 30, 2024 and financial years ended March 31, 2024:

(₹ in thousands)

Particulars	H1 FY2024-25		2023-24	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	5,39,380.10	99.76%	-	nmf
Other Income	1,310.50	0.24%	-	nmf
Total Revenue	5,40,690.61	100.00%	-	nmf
Cost of material consumed	79,864.51	14.77%	-	nmf
Employee Benefits Expenses	32,725.78	6.05%	-	nmf
Finance Costs	597.44	0.11%	-	nmf
Depreciation and Amortization Expense	9,566.71	1.77%	-	nmf
Other Expenses	1,47,236.32	27.23%	-	nmf
Total Expenses	2,69,990.76	49.93%	-	nmf
Profit before tax	2,70,699.85	50.07%	-	nmf
Tax Expense				
Current Tax	66,621.85	12.32%	-	nmf
Deferred Tax	2,194.82	0.41%	-	nmf
Profit (Loss) for the period	2,01,883.18	37.34%	-	nmf

nmf = not meaningful

The Company is a public company incorporated on April 25, 2023 under the Companies Act, 2013. It has not initiated any business operations since incorporation. As a result, there is nil revenue from operations during the period. Other income consist of balance written off amounting to INR 0.13 thousands during the six months period ending on September 30, 2024.

The Company has undertaken incorporation and setup expenses to the tune of INR 96.21 thousands. Consequently, for the six months ending September 30, 2024, the Company has incurred loss of INR 96.08 thousands.

Contingent Liabilities

Following is the summary of the contingent liabilities of the Company for the period ended September 30, 2024:

Particulars	₹ in thousands
a. Claims against Company not acknowledged as debts	-
b. Guarantees given by bank on behalf of the Company	-
Total	-

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rates. In the normal course of business, we are exposed to certain market risks including interest rate risk, market risk, liquidity risk and credit risk. We focus to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on our financial performance.

Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Though our operations are currently not funded by any external debt, there might be a requirement for the same. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company contemplates to transact business in local currency and in foreign currency. The Company has foreign currency receivables and is, therefore, exposed to foreign exchange risk. The Company may not use any derivative instruments to hedge its risks associated with foreign currency fluctuations.

Liquidity risk

Liquidity risk is the risk that our Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk is managed by us through effective fund management of the group's short, medium and long-term funding and liquidity management requirements. Our Company employee prudent liquidity risk management practices by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Credit Risk

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our Company's trade and other receivables, cash and cash equivalents and other bank balances. Despite currently not engaged in any business operations, the Company would periodically assesses financial creditworthiness of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount. However, there can be no assurance that our counterparties may not default on their obligations, which may adversely affect our business and financial condition.

Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Our Company would measure the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates.

Cash and cash equivalents

The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing.

Material Frauds

There are no material frauds committed against our Company since incorporation.

Other Disclosures

A. Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

Except as described elsewhere in this Draft Information Memorandum, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

B. Significant economic changes that materially affected or are likely to affect income from continuing operations

We do not foresee any significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled 'Risk Factors' beginning on page 20 of this Draft Information Memorandum.

C. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

The Company has not initiated its business operations. As a result, there has never been nor do we foresee any material adverse impact on the sales, revenue, or income from continuing operations, on account of any known trends or uncertainties that have had or are expected.

D. Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

This is not applicable since the Company has not initiated its business operations.

E. Total turnover of each major industry segment in which the issuer operated

This is not applicable since the Company has not initiated its business operations.

F. Status of any publicly announced new products or business segment

Except as disclosed in this Draft Information Memorandum, we have not announced and do not expect to announce in the near future any new products/services or business segment.

G. The extent to which business is seasonal

The Company has not initiated its business operations. Therefore, we are unable to make any judgments regarding the seasonality of the business.

H. Any significant dependence on a single or few suppliers or customers

The Company has not initiated its business operations. Hence, there is no such dependence on a single or few suppliers or customers.

I. Competitive conditions

The Company has not initiated its business operations. Therefore, we are unable to make any judgments regarding the competitive conditions.

Related Party Transactions

We have entered into transactions with the holding company. In particular, we have entered into transactions with holding company in relation to the borrowings taken.

For further information relating to our related party transactions see '*Financial Information*' on page 96 of this Draft Information Memorandum.

Material Developments subsequent to last Audited Balance Sheet

After the date of last Audited accounts i.e. March 31, 2024, the Directors of our Company confirm that, there have not been any significant material developments except mentioned below:

1. Mumbai Bench of the Hon'ble National Company Law Tribunal by its order dated October 28, 2024 (certified copy received on November 12, 2024) approved the Scheme of Arrangement amongst Emkay Taps and Cutting Tools Limited (Demerged Company) and Emkay Tools Limited (Resulting Company” and their respective shareholders under Sections 230 to 232 and Section 66 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder (collectively the “Act”) and all other applicable acts, rules and regulations.
2. Pursuant to the Composite Scheme of arrangement, allotted 1,06,71,300 Equity Shares to eligible shareholders of Demerged Company on December 05, 2024.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

In accordance with the provisions of the SEBI ICDR Regulations, our Company is required to disclose in this Draft Information Memorandum (i) all outstanding criminal proceedings; (ii) all outstanding actions by statutory or regulatory authorities; (iii) any disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five financial years (including any outstanding actions); (iv) all outstanding claims related to direct and indirect taxes; and (v) other material pending litigation; if any (in terms of the Materiality Policy), in each case involving our Company, our Directors, and our Promoters. Further the Company is required to disclose outstanding litigation involving Group Companies, the outcome of which may have a material impact on the Company.

Our Company, our Promoters and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Unless otherwise stated, all proceedings are pending as of the date of this Draft Information Memorandum. All information provided below is as of the date of this Draft Information Memorandum.

1. Litigation involving our Company

A. Litigation against our Company

- i. Criminal Proceedings: *None*
- ii. Civil Proceedings: *None*
- iii. Actions initiated by regulatory or statutory authorities: *None*
- iv. Litigation involving Tax Liability: *None*
- v. Disciplinary action taken including penalty imposed by SEBI or stock exchanges in the last five financial years including any outstanding action: *None*
- vi. Other pending proceedings: *None*

B. Litigation by our Company

- i. Criminal Proceedings: *None*
- ii. Civil Proceedings: *None*
- iii. Litigation Involving Tax Liability: *None*

- iv. Other pending proceedings: *None*

2. Litigation involving our Promoters

A. Litigation against our Promoters

- i. Criminal Proceedings: *None*
- ii. Civil Proceedings: *None*
- iii. Actions initiated by regulatory or statutory authorities: *None*
- iv. Litigation involving Tax Liability: *None*
- v. Disciplinary action taken including penalty imposed by SEBI or stock exchanges in the last five financial years including any outstanding action: *None*
- vi. Other pending proceedings: *None*

B. Litigation by our Promoters

- i. Criminal Proceedings: *None*
- ii. Civil Proceedings: *None*
- iii. Litigation Involving Tax Liability: *None*
- iv. Other pending proceedings: *None*

3. Litigation involving our Directors (Other than Promoter of our Company)

A. Litigation against our Directors

- i. Criminal Proceedings: *None*
- ii. Civil Proceedings: *None*
- iii. Actions initiated by regulatory or statutory authorities: *None*
- iv. Litigation involving Tax Liability: *None*
- v. Disciplinary action taken including penalty imposed by SEBI or stock exchanges in the last five financial years including any outstanding action: *None*
- vi. Other pending proceedings: *None*

B. Litigation by our Directors

- i. Criminal Proceedings: *None*

- ii. Civil Proceedings: *None*
- iii. Litigation Involving Tax Liability: *None*
- iv. Other pending proceedings: *None*

4. Litigation involving Group Companies

There are three outstanding litigation involving the Group Companies which has a material impact on our Company. i.e.

A. Litigation filed by Emkay Taps and Cuttings Tools Limited

- a) *Emkay Tools unit of Emkay Taps and Cuttings Tools Limited has filed a criminal complaints against Adithyaa Industrial Products under Section 138 read with section 142 of Negotiable Instruments Act, 1881, in relation to cheque bouncing involving amount of INR 4,39,711/-. The matter is currently pending before Jr CJ.JN and JMFL District Court Nagpur with criminal complaint no. 6972/2023.*
- b) *Emkay Tools unit of Emkay Taps and Cuttings Tools Limited has filed a criminal complaints against Amul Industries Private Limited under Section 138 read with section 142 of Negotiable Instruments Act, 1881, in relation to cheque bouncing involving amount of INR 1,82,292/- and 2,09,115/-. The matter is currently pending before 17th joint Chief Justice Jr. DN and JMFL district court, Nagpur with criminal complaint no. 1169/2020.*
- c) *Emkay Tools unit of Emkay Taps and Cuttings Tools Limited has filed a special civil suit against Amul Industries Private Limited in relation to civil recovery case involving amount of INR 17,65,845/-. The matter is currently pending before Civil Judge Sr. DN District Court Nagpur with criminal complaint no. 15/2024.*

B. Litigation filed by Emkay Taps and Cuttings Tools Limited - None

Outstanding dues to Creditors

There are no outstanding Trade Payables or Creditors (MSME & others), as on September 30, 2024.

Material Development

Except as disclosed in 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 99 of this Draft Information Memorandum and elsewhere in this Draft Information Memorandum, there have been no material developments since the date of the last audited Financial Information.

GOVERNMENT AND OTHER STATUTORY APPROVALS

List below is an indicative list of material approvals applicable to our Company. In view of these approvals, our Company can undertake its business activities. Unless stated otherwise, our Company have obtained necessary material approvals from the relevant governmental and regulatory authorities, and these are valid as on the date of this Draft Information Memorandum.

Incorporation & Corporate Approvals

1. Certificate of Incorporation dated April 25, 2023, issued issued by the Central Registration Centre, Registrar of Companies on behalf of the Registrar of Companies, Maharashtra (“RoC”), in the name of ‘Emkay Tools Limited’.
2. The Corporate Identity Number of our Company is U25939MH2023PLC401627.
3. The ISIN of Equity Shares of our Company is INE0PXC01024.

Tax related approvals



1. The Permanent Account Number (PAN) of our Company is AAHCE5302K.
2. The Tax Deduction and Collection Account Number (TAN) is NGPE01531F.
3. The Goods and Services Tax (GST) registration Number for the operating locations in Maharashtra: 27AAHCE5302K1ZN.

Approvals obtained in relation to Business Operations

Description	Registration / Application Number	Issuing Authority	Date of Certificate	Date of Expiry
Employees State Insurance Corporation	23000314750000699	Ministry of Labour and Employment	April 26, 2023	Valid till Cancellation
Employees' Provident Fund	NGNAG2909546000	Ministry of Labour and Employment	April 27, 2023	Valid till Cancellation
Importer Exporter Code	AAHCE5302K	Ministry of Commerce and Industry/ Directorate General of Foreign Trade	November 16, 2024	Valid till Cancellation
Udyam Registration Certificate	UDYAM-MH-20-0225251	Ministry of Micro, Small and Medium Enterprises	November 16, 2024	Valid till Cancellation

Intellectual Property Rights

Pursuant to the Scheme following intellectual property rights which shall form part of the Demerged Undertaking, shall be transferred to our Company from Demerged Company, without prejudice to the generality of the definition of ‘Demerged Undertaking’ as defined in this Scheme.

Nature	Details
Trademark	 HSS GROUND THREAD TAP Trademark No. 904020 in Class-OB valid till 17.02.2030
Trade Name	EMKAY TOOLS
Product Making	

Industry Specific Registration/ Consents/ License(s)

Pursuant to the Scheme following registrations/ consents/ licenses which shall form part of the Demerged Undertaking, shall be transferred to our Company from Demerged Company, without prejudice to the generality of the definition of ‘Demerged Undertaking’ as defined in this Scheme.

1. Factory License (License No. 1640500212750): Address: B-27, B-27/1, Hingna Road, MIDC, MIDC Industrial Area, Nagpur, Maharashtra – 440016. (Validity 2023-2027)
2. Maharashtra Pollution Control Certificate: Green I SSil G-46, Consent No: SRO-NAGPUR II/CONSENT/ 2106000077 (valid till 31.10.2025)

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority of Listing

The NCLT through certified order dated October 28, 2024 (certified copy received on November 12, 2024) has approved the Scheme of Arrangement for transfer of the Demerged Undertaking of Emkay Taps and Cutting Tools Limited to our Company on and with effect from the Appointed Date. For more details relating to the Scheme, please refer to section titled '*Objects and Rationale of the Scheme*' on page 38.

Pursuant to the Scheme, the Equity Shares of Company shall be listed and admitted to trading on NSE EMERGE. Such listing and admission for trading is not automatic and will be subject to fulfilment of listing criteria by Company as permitted by NSE EMERGE for such issues and also subject to such other terms and conditions as may be prescribed by NSE EMERGE at the time of the application for listing by Company.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of the SEBI ICDR Regulations are not applicable. Pursuant to the SEBI Scheme Circular, our Company has filed an exemption application with the Stock Exchange for exemption under Rule 19(7) of the SCRR, from the strict enforcement of the requirement of Rule 19(2)(b) of the SCRR for the purpose of listing of shares of the Company from SEBI. The Company will submit the Information Memorandum, containing information about itself, making disclosures similar to the disclosure requirement for public issues, as applicable to NSE EMERGE and the Information Memorandum shall be made available to public through the website of the NSE EMERGE i.e. www.nseindia.com.

The Company has also made the Information Memorandum available on its website at www.emkaytoolsltd.com. The Company will publish an advertisement in the newspapers containing its details in line with the SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on the Company's website.

Prohibition by SEBI

Our Company, Directors, Promoters and Promoter Group are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters, Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018.

Fugitive Economic Offences

None of our Promoters or Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Association with the Securities Market

None of the Directors of the Company are associated with the securities market in any manner. Further, other than as disclosed in this Draft Information Memorandum, SEBI has not initiated any action against any entity, with whom the Directors of the Company are associated in the past five years preceding the date of this Draft Information Memorandum.

Identification as wilful defaulter by RBI

The Company, Promoter and Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Disclaimer clause of SEBI

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT INFORMATION MEMORANDUM TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT INFORMATION MEMORANDUM.

THE FILING OF THIS DRAFT INFORMATION MEMORANDUM DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, ANY IRREGULARITIES OR LAPSES IN THIS THIS DRAFT INFORMATION MEMORANDUM.”

Disclaimer clause of the NSE

NSE has vide its letter dated September 22, 2023 (bearing reference no. NSE/LIST/D/2023/36457_1) granted its letter of “No objection” on the Scheme under Regulation 37 of the SEBI LODR Regulations. As required by the aforementioned letter, we hereby state that the, *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.*

General disclaimer from our Company

The Company accepts no responsibility for statements made otherwise than in this Draft Information Memorandum or in the advertisement to be published in terms of the SEBI Circular or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Applications shall be made to NSE EMERGE for an official quotation of the Equity Shares of our Company. Our Company has nominated NSE EMERGE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. Our Company shall take steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchange mentioned above within a period as approved by SEBI.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Draft Information Memorandum will be subject to the jurisdiction of the appropriate court(s) of Nagpur, Maharashtra only.

Listing approval from NSE

Our Company has obtained in-principle listing approval from NSE EMERGE on [•]. Our Company shall make the application for final listing and trading approvals to NSE EMERGE.

Exemption from Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957

Our Company was granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI vide the letter no. [•] dated [•].

Filing

A copy of this Draft Information Memorandum has been filed with NSE EMERGE.

Demat credit

Our Company has executed a Tripartite Agreement with the Depositories i.e. NSDL and CDSL, dated May 23, 2023 and May 24, 2023 respectively, for admitting our Equity Shares in demat form. Our Company has been allotted ISIN: INE0PXC01024. The shares of our Company, on allotment, shall be traded on stock exchange in demat mode only.

Expert opinions

We have not obtained any expert opinions for the purpose of this Draft Information Memorandum.

Dispatch of share certificates

In accordance with the Scheme, new Equity Shares have been issued and allotted to the Eligible Shareholders of Emkay Taps And Cutting Tools Limited on the Record Date i.e. December 04, 2024 in demat form only.

Previous rights and public issues

Since incorporation, our Company has not issued Equity Shares to the public or had any Rights Issues.

Capital issue in the last 3 years

The Company has not undertaken a capital issue to the public in the last three years preceding the date of this Draft Information Memorandum. Further, except Emkay Taps And Cutting Tools Limited, none of our Group Companies are listed on any Stock Exchange as on the date of this Draft Information Memorandum.

Commission and brokerage on previous issues

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares by our Company.

Performance vis-à-vis objects

This is for the first time our Company is getting listed on any stock exchange.

Outstanding debentures or bonds and redeemable preference shares and other instruments issued by our company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company.

Stock market data for equity shares of our company

The Equity Shares of our Company are not listed on any stock exchange. Through this Draft Information Memorandum, our Company is seeking approval for listing of its Equity Shares from the Stock Exchange.

Disposal of investor grievances

Our Company has the following platforms for addressing investors' grievances:

E-mail ID: investors@emkaytoolsltd.com

SCORES

Shareholders can express their grievances by sending mails to above E-mail ID or may raise complaints in SCORES (Common Portal introduced by SEBI) after listing of shares on the stock exchange. Further, the Shareholders can also raise their grievances with our Company Secretary. As on the date of this Draft Information Memorandum, our Company has not received any investor complaints since incorporation.

Company Secretary and Compliance Officer

Mrs. Riya Sarang Agrawal	
Address	: 102, Rajat Hills, Amravati Road, kachimet, Next to ICAR, Nagpur – 440033
Contact No.	: +91-97300 00494
E-mail	: companysecretary@emkaytoolsltd.com
Website	: https://www.emkaytoolsltd.com/

Changes in Statutory Auditor

There has been no changes in our Company's auditors in the last three (3) years.

Capitalization of reserves or profits or revaluation of assets

There has been no capitalization of our reserves or profits or revaluation of our assets since incorporation to the date of this Draft Information Memorandum.

Undertaking

The complaints received from the investors shall be attended to by the Company expeditiously and satisfactorily. All steps to be taken for completion of the necessary formalities for listing and commencement of trading at all stock exchange where the securities are to be listed shall be taken within the period prescribed by SEBI.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

PUBLIC COMPANY LIMITED BY SHARES ARTICLES OF ASSOCIATION OF EMKAY TOOLS LIMITED

INTERPRETATION

1. In these Articles unless there be something in the subject matter or context inconsistent therewith:
 - i. **“The Act”** means the Companies Act, 2013.
 - ii. **“Articles”** means Articles of Association of the Company as originally framed or altered from time to time
 - iii. **“Beneficial Owner”** shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.
 - iv. **“Board”** means the Board of Directors of the Company.
 - v. **“Chairman”** means the Chairman of the Board of the Directors of the Company.
 - vi. **“Company”** means EMKAY TOOLS LIMITED
 - vii. **“Depositories Act, 1996”** shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.
 - viii. **“Depository”** shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.
 - ix. **“Directors”** means the Directors appointed to the Board of the Company.
 - x. **“Dividend”** includes any interim dividend.
 - xi. **“Document”** means a document as defined in Section 2 (36) of the Companies Act, 2013.
 - xii. **“Equity Share Capital”**, with reference to any Company limited by shares, means all share capital which is not preference share capital;
 - xiii. **“KMP”** means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.
 - xiv. **“Managing Director”** means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.
 - xv. **“Month”** means Calendar month.
 - xvi. **“Office”** means the registered office for the time being of the Company.
 - xvii. **“Postal Ballot”** means voting by post or through any electronic mode.
 - xviii. **“Proxy”** includes attorney duly constituted under the power of attorney.
 - xix. **“Public Holiday”** means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
 - xx. **“Registrar”** means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated.
 - xxi. **“Rules”** means the applicable rules as prescribed under the relevant sections of the Act for time being in force.
 - xxii. **“SEBI”** means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

- xxiii. **“Securities”** means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)
- xxiv. **“Share”** means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.
- xxv. **“Seal”** means the common seal of the Company.
- xxvi. **“Tribunal”** means the National Company Law Tribunal constituted under section 408;
- xxvii. **“Preference Share Capital”**, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—
 - a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and
 - b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;

Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.

Share Capital

2. The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.
3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

Issue of Sweat Equity Shares

4. Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.

Issue of Debentures

5. The Company shall have powers to issue any debentures, debenture-stock or other securities at Par,

discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

Issue of Share Certificates

6.

- i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within or within such other period as the conditions of issue shall be provided,—
 - a. one certificate for all his shares without payment of any charges; or
 - b. Several certificates, each for one or more of his shares, upon payment of Rupees 2 (Rupees Two) for each Share Certificate after the first.
- ii. The Company agrees to issue certificate within 15 (Fifteen) days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within one month of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
- iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

7. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of Rs. 2 (Rupees Two) for each certificate.

8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Provided that notwithstanding what is stated herein above the Directors shall comply with such rules or regulation or requirements of Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

9. The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

Power to pay Commission In connection with the Securities issued

10.

- i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.
- ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Variations of Shareholder's rights**11.**

- i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.

Issue of Preference Shares

13. Subject to the provisions of section 55, any preference shares may, be issued on the terms that they are to be redeemed on such terms, mode and manner as the Company before the issue of the shares may, by special resolution, determine.

Further Issue of shares

14. Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:

- a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paidup on those shares at that date;
 - i. The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days and not being more than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - ii. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (i) shall contain a statement of this right;
 - iii. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.
- b) To employees under a scheme of employees' stock option, subject to special resolution passed by Company and subject to such conditions as may be prescribed.

15. Notwithstanding anything contained in sub clause (a) or (b) of clause 14, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in sub-clause (a) or (b) of clause 14 above) in any manner whatsoever.

- i. If a special resolution to that effect is passed by the Company in general meeting, and
- ii. The price of such shares is determined by valuation report of a registered Valuer subject to such conditions as are prescribed under Companies (Share Capital and Debentures) Rules, 2014 or any other applicable laws.

16. Nothing in the clause 14 shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company.

PROVIDED THAT the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

17. Notwithstanding anything contained in clause 16, where any debentures have been issued, or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, that Government may, by order, direct that such Debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the company, the Company may, within 60 (sixty) days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

Lien

18.

- i. The Company shall have a first and paramount lien—
 - a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

19. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made –

- a) unless a sum in respect of which the lien exists is presently payable; or
- b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of

his death or insolvency.

20.

- i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

21.

- i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

22.In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

23.The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Joint Holdings

24.Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-

- a) The Company shall be entitled to decline to register more than three persons as the joint-holders of any share.
- b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
- c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
- d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.
- e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.
- f)
 - i. Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if her were solely entitled hereto and if

more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint holder present by attorney or by proxy stands first in Register in respect of such shares.

- ii. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.
- g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.

Calls on shares

25.

- i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call.
- ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- iii. A call may be revoked or postponed at the discretion of the Board.

26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

27. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

28.

- i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.

29.

- i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture
- iii. Or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

30. The Board—

- i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent. Per annum, as may be agreed upon between the Board and the member paying the sum in advance.

31. Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.

Provided however that any amount paid to the extent called –up shall be entitled to proportionate dividend and voting right.

32. The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.

33. The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.

Transfer of shares

34.

- i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.
- ii. Each share in the Company shall be distinguished by its appropriate number.
- iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.

35.

- i. The instrument of transfer of any share in the Company shall be duly stamped and executed by or on behalf of both the transferor and transferee, specifying the name, address and occupation, if any, of the transferee.
- ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

36. The Board may, subject to the right of appeal conferred by section 58 and Section 22A of the Securities

- i. Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- ii. any transfer of shares on which the Company has a lien.
- iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

37. The Board shall decline to recognise any instrument of transfer unless—

- i. The instrument of transfer is in writing and all the provisions of Section 56 of the Act, and the rules made thereunder, and of any statutory modification thereof for the time being in force, have been duly complied with;
- ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and

such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares. Provided that, transfer of shares in whatever lot shall not be refused.

- 38.** The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),
- i. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;
 - ii. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.
- 39.** The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay
- 40.** On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year
- 41.** The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

Register of Transfers

- 42.** The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Dematerialisation of Securities

- 43.**
- i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.
 - ii.
 - a) The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.
 - b) Option for Investors: Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities. If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security.
 - c) Securities in Depository to be in fungible form:-
All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.

Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

d) Rights of Depositories & Beneficial Owners:-

Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

e) Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

f) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

- iii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.
- iv. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- v. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- vi. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
- vii. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.
- viii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Transmission of shares

44.

- i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

45.

- i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
 - a. to be registered himself as holder of the share; or
 - b. to make such transfer of the share as the deceased or insolvent member could have made.

- ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

46.

- i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

47. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

48. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of instrument of transfer.

49. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

50. The provisions of these Articles relating to transmission of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

51. No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

Power to Nominate

52. Subject to provisions of Section 72 of the Act, read with rules made in this regard, every holder of Securities of the company may, at any time, nominate, in the manner as prescribed in Rules, any person to whom his Securities shall vest in the event his death.

Forfeiture of shares:

53. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

54. The notice aforesaid shall—

- i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

55. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

56.

- i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

57.

- i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

58.

- i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;
- iii. The transferee shall thereupon be registered as the holder of the share; and
- iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

59. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all

claims and demands against the Company, in respect of the share and all other rights incidental to the share.

- 60.** Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
- 61.** Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
- 62.** The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
- 63.** The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- 64.** The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Initial payment not to preclude forfeiture

- 65.** Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.

Alteration of capital

- 66.** The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 67.** Subject to the provisions of section 61, the Company may, by ordinary resolution,—
- i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Conversion of Shares into Stock

68. Where shares are converted into stock,—

- i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- iii. such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

Reduction of Capital

69. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- i. its share capital;
- ii. any capital redemption reserve account; or
- iii. any share premium account.

Share Warrants

70. The Company may issue share warrants subject to, and in accordance with, the provision of the Act, and accordingly the Board may in its discretion, with respect to any Share which is fully paid up, on application in writing signed by the person registered as holder of the Share, and authenticated by such evidence (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.

71. The bearer of a share warrant may at any time deposit the warrant in the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of the deposit, as if his name were inserted in the register of members as the holder of the Shares including in the deposited warrant.

72. Not more than one person shall be recognized as depositor of the share warrant.

73. The Company shall, on two days written notice, return the deposited share warrant to the depositor.

74. Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

75. The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the Shares included in the warrant, and he shall be a member of the Company.

76. The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Capitalisation of profits

77.

- i. The Company in general meeting may, upon the recommendation of the Board, resolve—
 - a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
 - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;
 - c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
 - d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- iii. The Board shall give effect to the resolution passed by the Company in pursuance of this - regulation.

78.

- i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—
 - a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - b. generally do all acts and things required to give effect thereto.
- ii. The Board shall have power—
 - a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- iii. Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

79. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

General Meeting

80. All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.

81.

- i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
- ii. The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).
- iii. The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.
- iv. If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
- v. A meeting under clause (iv) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- vi. Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (iv) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

Proceedings at general meetings

82.

- i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- ii.
 - A. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.
 - B. In any other case, the quorum shall be decided as under:
 - a) Fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
 - b) Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

83.The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

84.If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

85.If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

86.The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every

vote tendered at such poll.

87. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

88.

- i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.
- ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

89.

- i. A poll demanded on a question of adjournment shall be taken forthwith.
- ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

Adjournment of meeting

90.

- i. Where a meeting of the members could not be held for want of quorum, then, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place. Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (i), the company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.
- ii. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- iii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- iv. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- v. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

91. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

- i. on a show of hands, every member present in person shall have one vote; and
- ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

92.A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

93.

- i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

94.A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

95.Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

96.

- i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

97.No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

Scrutinisers at poll

98.

- i. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinisers to scrutinize the votes given on the poll and to report thereon to him.
- ii. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutiner from office and to fill vacancies in the office of scrutiner arising from such removal or from any other cause.
- iii. Of the two scrutiner appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

Manner of taking poll and result thereof

99.

- i. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
- ii. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Casting Vote

100. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Representation of Body Corporate

101. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

Representation of the President of India or Governors

102.

- i. The President of India or the Governor of a State if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Companies Act, 2013 of the Act or any other statutory provision governing the same.
- ii. A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or as the case may be the Governor could exercise, as a member of the Company.

Circulation of member's resolution

103. The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.

Resolution requiring special notice

104. The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.

Resolutions passed at adjourned meeting

105. The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

Registration of resolutions and agreements

106. The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.

Minutes of proceedings of general meeting and of Board and other meetings

107.

- i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
- ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :
 - a. In the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - b. In the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
 - c. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - d. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
 - e. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
 - f. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
 - i. the names of the Directors present at the meetings, and
 - ii. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.
 - iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
 - a. is or could reasonably be regarded, as defamatory of any person
 - b. is irrelevant or immaterial to the proceedings; or
 - c. is detrimental to the interests of the Company.
 - iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

Minutes to be considered to be evidence

108. The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

Presumptions to be drawn where minutes duly drawn and signed

109. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 118 of the Act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Directors or KMP's, Auditors or Company secretary in practice, shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

Publication of reports of proceeding of general meetings

110. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

Proxy

- 111.** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- 112.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- 113.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
- 114.** If any instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- 115.** No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting or poll whatsoever.

Board of Directors

- 116.** The number of Directors shall not be less than three and not more than fifteen.
- 117.** The first directors of the Company shall be:
- i. SHRI. AJAYPRAKASH KANORIA
 - ii. SMT. ALKA KANORIA
 - iii. SHRI. MAHESH MOR
- 118.** The Directors need not hold any “Qualification Share(s)”.
- 119.** The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
- 120.** Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles and such person so appointed as an Additional Director shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

- 121.** Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an alternate director and alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
- 122.** If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
- 123.** If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
- 124.** The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had been vacated.
- 125.** If at any time the Company obtains any loans from any financial institution and/or any Central or States Government and/or any firm, authority, person, body corporate (hereinafter called Lender) and it is a term of such loan that the Lender shall have the right to appoint one or more Directors, then subject to the terms and conditions of such loans, the Lender shall be entitled to appoint one or more Directors, as the case may be, on the Board of the company and to remove from office any Director, so appointed and to appoint another in his place or in the place of a director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be signed by the Lender or by any person duly authorised by it and shall be served at the office of the Company. The Directors so appointed shall not be liable to retire by rotation in accordance with the provisions of these Articles. Such Directors shall cease to be Directors after the loan is repaid fully.

Retirement and Rotation of Directors

- 126.** Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.
- 127.** The remaining Directors shall be appointed in accordance with the provisions of these Articles.
- 128.** At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office.
- 129.** Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.
- 130.** Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.

131. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

Removal of Directors

132. The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.

133. Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

134. On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

135. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,
a. in any notice of the resolution given to members of the Company state the fact of the representations having been made, and
b. send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company)

And if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

136. A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.

137. A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

138. If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be reappointed as a director by

the Board of Directors.

139. Nothing in this section shall be taken

- a. as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
- b. As derogating from any power to remove a director under other provisions of this Act.

Managing/ Whole Time/ Executive Directors

Subject to the provisions of the Act and various modifications made there under:

140. The Board may from time to time authorize one or more of their members or any other person to carry on the business of the Company and to delegate to them or others such powers as are necessary for the management of the company.

The Board may at any time appoint one or more of their members as Managing Director or Whole Time Director of the Company on such terms and conditions as they may deem proper. The period of such appointment of Managing Director or Whole Time Director shall not exceed the term prescribed under the Act.

141. The Board may, from time to time, subject to the provisions of the Act, entrust to or confer upon the Managing Director or Managing Directors or whole time Director or whole time Directors for the time being such of the powers exercisable by the Board under these presents, as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms, conditions and with such restriction as they may think proper.

Remuneration and sitting fees to Directors including Managing and whole time Directors

142. Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company

In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.

- a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or
- b. In connection with the business of the Company.

143. Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) or any other sum as may be fixed by the Board from time to time for every meeting of the Board of Directors and/ or Committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 197, 301, 188 of the Act read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

Powers and duties of Directors:

Certain powers to be exercised by the Board only at meeting

144.

- i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.
 - a. The power to make calls on shareholders in respect of money unpaid on their shares;
 - b. The Power to authorize buy-back of securities under Section 68 of the Act.
 - c. Power to issue securities, including debenture, whether in or outside India
 - d. The power to borrow moneys
 - e. The power to invest the funds of the Company,
 - f. Power to Grant loans or give guarantee or provide security in respect of loans
 - g. Power to approve financial statements and the Board's Report
 - h. Power to diversify the business of the Company
 - i. Power to approve amalgamation, merger or reconstruction
 - j. Power to take over a Company or acquire a controlling or substantial stake in another Company
 - k. Powers to make political contributions;
 - l. Powers to appoint or remove key managerial personnel (KMP);
 - m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
 - n. Powers to appoint internal auditors and secretarial auditor;
 - o. Powers to take note of the disclosure of director's interest and shareholding;
 - p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;
 - q. Powers to invite or accept or renew public deposits and related matters;
 - r. Powers to review or change the terms and conditions of public deposit;
 - s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the

case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.

- ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.
- iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.
- v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in sub-clauses (a),(b), (c), (d), (e) (f), (g), (h), (i) and (j) of clause (i) above.

Restriction on powers of Board

145.

- i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :
 - a. sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
 - b. remit, or give time for the repayment of any debt, due by a Director;
 - c. invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
 - d. borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or
 - e. Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year exceed five percent of its average net profits during the three financial years, immediately proceedings.
- ii. Nothing contained in sub-clause (a) above shall affect:
 - a. the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or
 - b. The selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.
- iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
- iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

146. Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.

General powers of the Company vested in Directors

147. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Specific powers given to Directors

148. Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers, it is hereby expressly declared that the Directors shall have the following powers:

- i. to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- ii. to pay and charge to the capital account of the Company and interest lawfully payable thereon subject to provisions of the Companies Act, 2013.

149.

- i. Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;
- ii. Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- iii. At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

150. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;

151. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;

152. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;

153. To open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;

- 154.** To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
- 155.** To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
- 156.** To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
- 157.** To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
- 158.** To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
- 159.** To refer, subject to the provisions of the Companies Act, 2013 any claims or demands by or against the Company to arbitration and observe and perform the awards;
- 160.** To act on behalf of the Company in all matters relating to bankrupts and insolvents;
- 161.** To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of the Companies Act, 2013.
- 162.** To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents on the Company's behalf;
- 163.** Subject to the provisions of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.
- 164.** To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
- 165.** Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.

- 166.** To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
- 167.** To establish and maintain or procure the establishment and maintenance of any contributory or noncontributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at any time Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well-being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;
- 168.** To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
- 169.** Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividend or for equalising dividend for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by Section 180 of the Companies Act, 2013) as the directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purpose as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption or redeemable preference shares, debentures or debenture stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.
- 170.** To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and

require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.

- 171.** At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
- 172.** Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of sub-delegation) any Director, Officer or Officers or Employees for the time being of the Company and/or any other person, firm or Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper.
- 173.** To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

Proceedings of the Board

- 174.**
- i. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
 - ii. The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time summon a meeting of the Board.
- 175.** The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.
- 176.**
- i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
 - ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 177.** The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other

purpose.

178. The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

179.

- i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

Delegation of Powers of Board to Committee

180.

- i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

181.

- i. A committee may elect a Chairperson of its meetings.
- ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

182.

- i. A committee may meet and adjourn as it thinks fit.
- ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

183. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

184. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

185. Subject to the provisions of the Act,—

- i. A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial

- officer so appointed may be removed by means of a resolution of the Board;
- ii. A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.

186. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, Company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, Company secretary or chief financial officer.

The Seal

187.

- i. The Board shall provide for the safe custody of the seal.
- ii. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Dividends and Reserve

188. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

189. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

190.

- i. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

191.

- i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

192. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

193.

- i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

194. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

195. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

196. No dividend shall bear interest against the Company.

197. No amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;

198. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.

199. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

200. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Accounts

201.

- i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.
- ii. No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

Inspection of Statutory Documents of the Company:

202. Minutes Books of General Meetings

- i. The books containing the minutes of the proceedings of any general meeting of the Company shall:
 - a. be kept at the registered office of the Company, and
 - b. be open, during the business hours of the Company for not exceeding more than two hours in each day.

Provided however that any person willing to inspect the minute's books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.

- ii. Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.

Register of charges:

203.

- i. The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.
- ii. The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—
 - a. by any member or creditor without any payment of fees; or
 - b. by any other person on payment of such fees as may be prescribed,Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.

Winding up

204. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up. If the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be prejudice to the rights of the holders of shares issued upon special terms and conditions.

205. In the event of Company being wound up, whether voluntarily, or otherwise, the liquidators, may with sanction of Special Resolution, divide among the contributors, in specie or kind, whole or any part of the assets of the Company and may with the like sanction, vest the whole or any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as Liquidators, with like sanction shall think fit.

Indemnity

206. Subject to the provisions of Section 197 of the Act, every Director, Manager, Secretary and other

officer or employee of the Company shall be indemnified against and it shall be the duty of the Directors to pay out of funds of the Company all bonafide costs, losses and expenses (including traveling expenses) which any such Directors, Manager or Secretary or other officer or employee may incur or become liable to by reason of any contract entered into or any way in the discharge of his or their duties and particular, and so as not to limit the generality of the forgoing provisions, against all liabilities incurred by him or by them as such Director, Manager, Secretary, Officer or Employee in defending and proceeding whether civil or criminal in which judgment is given in his or their favour or he or they is or are acquitted, or in connection with any application under Section 463 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.

207. Subject to the provisions of the Act and so far as such provisions permit, no Director, Auditor or other Officer of the Company shall be liable for acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company or for the insufficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss occasioned any error or judgment, omission, default or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his dishonesty.

Insurance

208. The Company may take and maintain any insurance, including Directors' and Officers' Liability insurance, as the Board may think fit, on behalf of its present and/or former Directors and Key Managerial Personnel for indemnifying all or any of them against any liability for any act in relation to the Company for which they may be liable but have acted honestly and reasonably.

Secrecy

209. Every Director, Manager, Secretary, trustee, Member or Debenture holder, Member of a Committee, officer, servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.

SECTION IX – OTHER INFORMATION MATERIAL

CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following Contracts or Documents will be available for inspection at the Registered Office of our Company between 11:00 a.m. to 2:00 p.m. on any day (except Saturday, Sunday and public holidays) from the date of filing of the Draft Information Memorandum with the Stock Exchange until the listing of Equity Shares on the Stock Exchange.

Documents for Inspection

1. Tripartite Agreement dated May 23, 2023 with NSDL, Registrar and Transfer Agent and our Company;
2. Tripartite Agreement dated May 24, 2023 with CDSL, Registrar and Transfer Agent and our Company;
3. Registrar and Transfer Agent agreement dated December 3, 2024 entered into among our Company and the Registrar and Transfer Agent to the Company;
4. Certificate of Incorporation of our Company dated April 25, 2023;
5. Memorandum and Articles of Association of the Company, as amended till date;
6. Resolution of the Board of Directors of Company dated June 29, 2023 approving the Scheme of Arrangement;
7. Scheme of Arrangement between Emkay Taps and Cutting Tools Limited and our Company and their respective shareholders approved by the NCLT
8. Audited financial statement of the Company for the year ended March 31, 2024 and restated financial statements of the Company for the period ended September 30, 2024.
9. Statement of possible special tax benefits dated October 30, 2024, issued by P.S.Thakare & Co. CO., Chartered Accountants;
10. NCLT order dated October 28, 2024 (certified true copy of the order was received on November 12, 2024) approving the Scheme;
11. Observation letter no. NSE/LIST/D/2023/36457_1 dated September 22, 2023, for the Scheme of Arrangement from NSE;
12. SEBI's letter (bearing reference no. [•] dated [•] granting relaxation of Rule 19 (2) (b) of the Securities Contracts (Regulation) Rules, 1957 as per the Master SEBI Circular issued by SEBI dated November 23, 2021 for the purpose of listing of the shares.
13. NSE letter no. [•] dated [•] granting in-principle approval for listing.

Any of the contracts or documents mentioned in this Draft Information Memorandum may be amended or modified at any time if so, required in the interest of Company or if required by other parties, without reference to the shareholders, subject to compliance with applicable law.

DECLARATION

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 SEBI, 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 Draft Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and 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 made in this Draft Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of
Emkay Tools Limited**

Ajayprakash Kanoria
Managing Director
DIN: 00041279

Alka Kanoria
Director
DIN: 00041346

Date: January 18, 2025

Place: Nagpur