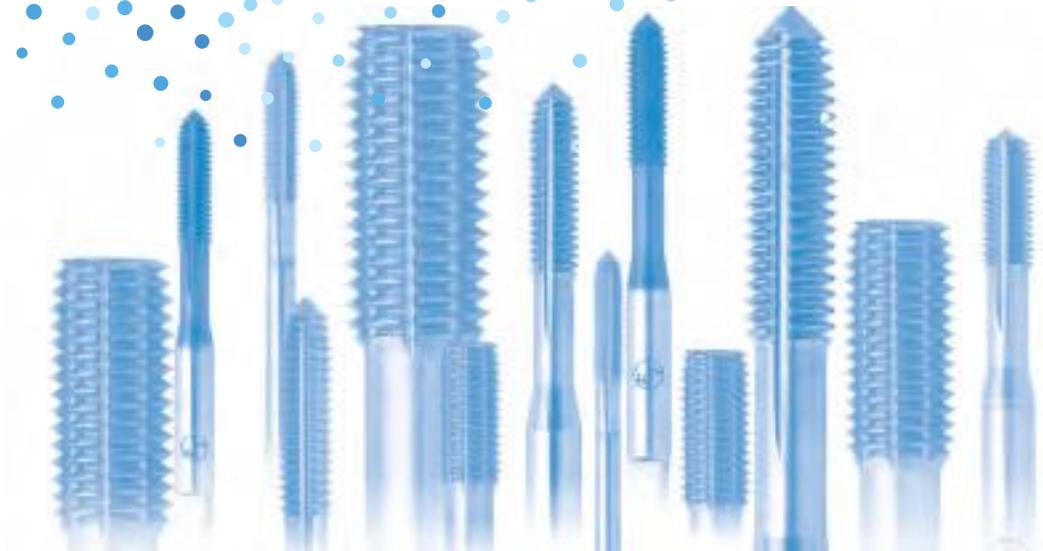




EMKAY TOOLS

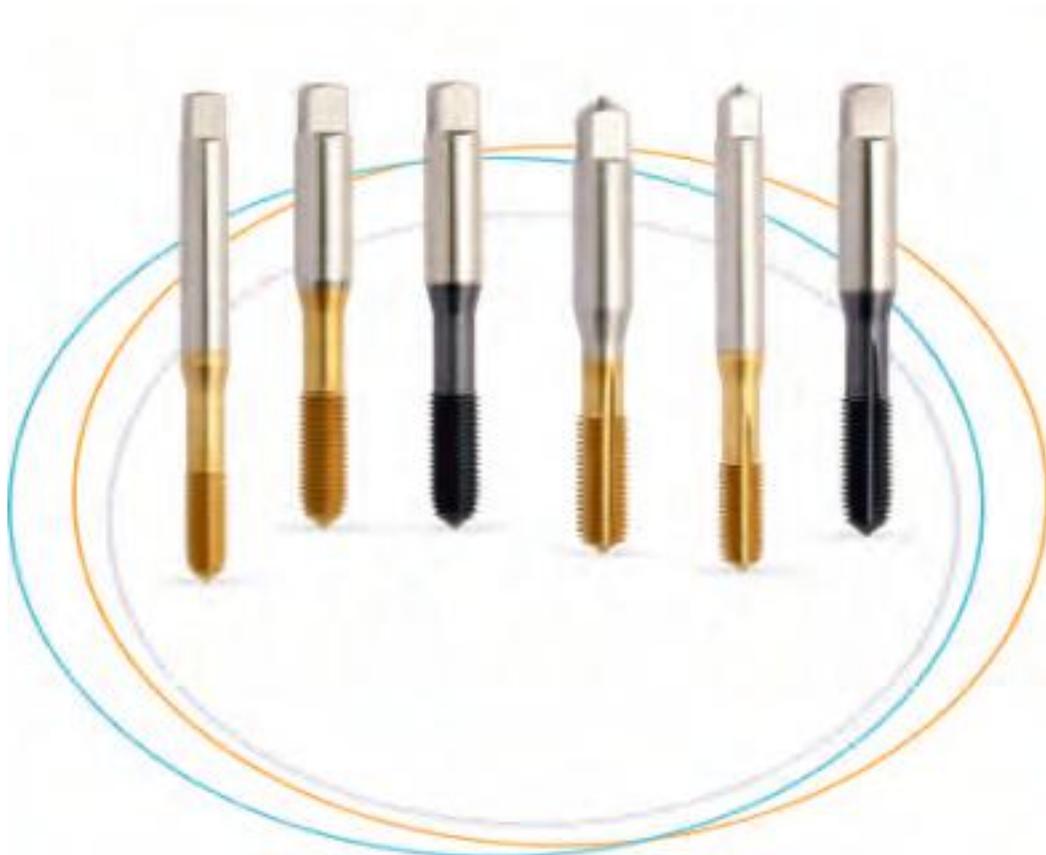
Emkay Tools Limited

Annual Report 2025



 **Contents**

| | | |
|---|--|-------|
|  1 | Corporate Information | 1-1 |
|  2 | Notice of Second Annual General Meeting to Members | 2-3 |
|  3 | Notes to Notice & Explanatory Statement | 4-5 |
| 4 | Attendance Slip and Proxy Form | 68-69 |
|  | Annual Report | |
|  5 | Director's Report | 6-11 |
|  6 | Annexures to Director's Report | 12-21 |
| 7 | Corporate Governance Report | 22-32 |
| 8 | Management Discussion Analysis | 33-41 |
| 9 | Standalone Auditor's Report & Financial Statements | 42-67 |
| 10 | Photo Gallery and Map for AGM Venue | 70-73 |



Corporate Information

Board of Directors

Managing Director

Mr. Ajayprakash Kanoria

Director

Mrs. Alka Kanoria

Independent Non-Executive Director

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

Chief Financial Officer

Mr. Sumit Gaidhane

Company Secretary & Compliance Officer

Mrs. Riya Sarang Agrawal

Auditor's

Statutory Auditor

M/s. P. S. Thakare & Co.
Chartered Accountants
Indo Unique Plaza, Opp Bole Petrol Pump,
VIP Road, Civil Lines, Nagpur 440001
Tel. No.: 0712 - 2520280
Email: psthakare20@grnail.com,
thakereps@rediffmail.com

Secretarial Auditor

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

Correspondence Details for Investors

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

Emkay Tools Ltd.
Compliance Officer
B-27/B-27/1, M.I.D.C Hingna,
Industrial Estate, Nagpur-440016
Tel.: +91-9226071464
Email: investors@etctl.com
Website: www.etctl.com

Bankers

ICICI Bank Ltd.

Committees*

Audit Committee
Nomination & Remuneration Committee
Stakeholders Relationship Committee
CSR Committee

Stock Exchange

National Stock Exchange
"SME EMERGE"

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

📌 NOTICE OF SECOND ANNUAL GENERAL MEETING

Dear Member(s),

Notice is hereby given that the Second Annual General Meeting of the Members of Emkay Tools Limited is scheduled to be held on Monday, September 15, 2025 at 11.30 AM at the Registered Office of the Company i.e. Plot no. B-27 & B-27/1, M.I.D.C. Hingna, Industrial Estate, Nagpur-440016, Maharashtra to transact the following business(s):

ORDINARY BUSINESS :

To consider passing the following resolution(s) as an Ordinary resolution

- i) To Consider and adopt the Audited financial statement of the Company for the year ended on March 31, 2025 together with the report of Board of Directors and Auditors thereon.
- ii) To consider re-appointment of Mrs. Alka Kanoria (DIN: 00041346), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible and offers herself for re-appointment. For details of the Director seeking re-appointment at the Annual General Meeting please refer Annexure - E to the director's report.
- iii) To declare final dividend for the financial year 2024-25 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution:
 “Resolved that the final dividend @ Rs. 2.50/- per equity share of face value Rs. 1/-, as recommended by the Board of Directors, be and is hereby declared out of the profits of the Company for the financial year 2024-25.”

SPECIAL BUSINESS :

- iv) To appoint P. Surbhi & Associates as a Secretarial Auditor and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

“RESOLVED THAT in accordance with the provisions of Section 204 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and basis the recommendation of the Board of Directors of the Company, P. Surbhi & Associates, Practicing Company Secretaries (COP No. 27412), be and are hereby appointed as Secretarial Auditor of the Company, for a term of 5 (five) consecutive financial years, commencing from the financial year 2024-25 to the financial year 2028-29, on such remuneration as may be determined by the Board of Directors.”

- v) To approve related party transaction and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and basis the recommendation of the Board of Directors and subject to the approval of Shareholders of the Company and subject to such other approvals, consents, sanctions and permissions of the appropriate authorities, departments or bodies as may be necessary, the consent of the Members of the Company be and is hereby accorded to the Board of Directors to enter into transactions with the following Related Party and for the maximum amounts, as mentioned herein below :

| Nature of Transaction as per Companies Act, 2013 | Name of the Director/KMP who is related and nature of their relationship | Name of the Related Party(s) | Relationship | Particulars/ Material Terms and conditions of the transaction | Amount |
|--|--|------------------------------|-----------------|---|---------------|
| Availing or rendering of any services | Ajayprakash Kanoria; Alka Kanoria (Directors and members) | Nagpur Tools Private Limited | Group Companies | Job Work | Rs. 15 Crores |

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors, be and is hereby authorized to sign and execute such documents, as may be required and to do all such acts deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to resolve any question, difficulty or doubt relating thereto, or otherwise, that may arise in this regard.

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

By the Order of Board of Directors

For **EMKAY TOOLS LIMITED**

Nagpur,
Saturday
August 23, 2025

 **Riya Agrawal**
Company Secretary & Compliance Officer



NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of her/him and a proxy need not be a member of the Company. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
2. Proxy form, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. Corporate Members intended to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members, Proxies and Authorised Representatives are requested to bring to the meeting their copy of Annual Report, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
5. In accordance with the provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain close from Saturday, September 06, 2025 to Monday, September 15, 2025.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents Bigshare Services Pvt. Ltd. to provide efficient and better services.
7. To support the 'Green Initiative' and pursuant to MCA and SEBI circular the Notice of the AGM along with the Annual Report 2024-25 is being sent by electronic mode only to all the Members whose e-mail addresses are registered with the Company / Depositories. For Members who have not registered their e-mail addresses, may register on <https://www.bigshareonline.com//InvestorRegistration.aspx> and request to get the same on their respective email address(s). Also, members are requested to note that this Notice and the Annual Report 2024-25 will also be available on the Company's website viz., www.emkaytoolsltd.com
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.emkaytoolsltd.com. Members are requested to submit the said form to their DP in case the shares are held in electronic form.
9. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.
10. THE INSTRUCTIONS FOR MEMBERS FOR VOTING ON THE DAY OF THE Second AGM ARE AS UNDER:
 - i) Members / shareholders, who will be present in the Second AGM shall be eligible for voting either themselves or through proxy by show of hand, in case poll not demanded by the shareholders/members at the Second AGM.
11. As per Notification issued by Ministry of corporate Affairs dated March 19, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter IX as per SEBI (ICDR) Regulations, 2018 will be exempted from E-voting provisions. Company is covered under Chapter IX and is listed on SME platform of NSE EMERGE. Hence, company is not providing E-voting facility to its shareholders.
12. As per the Notification issued by SEBI dated September 2, 2015 under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the compliance with the corporate Governance Provisions under the provisions of SEBI (LODR), Regulations, 2015 shall not apply in respect

of the Listed Entity which has listed its specified securities on the SME Exchange.

13. The Company intends to convene Second Annual General Meeting in compliance with applicable provisions of the Companies Act, 2013 read with General Circular No. 20/2020 dated 05.05.2020, General Circular No. 10/2022 dated 28.12.2022, General Circular No.09/2023 dated 25.09.2023 and General Circular No.09/2024 dated 19.09.2024 and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 20 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and SEBI Circular No. SEBI/HO/CFD/CFD-POD-2/P/CIR/2024/133 dated October 03, 2024
14. Map for Second AGM venue is given at the end of this Annual Report.

Explanatory statement pursuant to Sections 102(1) and 110 of the Companies Act, 2013

Item No. 4:

Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“Listing Regulations”) requires every listed entity to appoint a peer reviewed Company Secretary or a Firm of Company Secretary(ies) as a Secretarial Auditor on the basis of recommendation of the Board of the Directors

The Board of Directors of the Company (“Board”), at its meeting held on June 23, 2025 has, considering the experience and expertise and on the recommendation of the Audit Committee, recommended to the Members of the Company, appointment of P. Surbhi & Associates, Practicing Company Secretary (COP No. 27412), as Secretarial Auditor for a term of 5 (five) consecutive financial years, commencing from the financial year 2024-25 to the financial year 2028-29 on such remuneration as may be determined by the Board of Directors of the Company from time to time.

P. Surbhi & Associates are Practicing Company Secretaries registered with the Institute of Company Secretaries of India having experienced professionals P. Surbhi & Associates are engaged in rendering-

- (i) Compliance Audit & Assurance Services;
- (ii) Advisory and Representation Services;
- (iii) Transactional Services for various Companies. P. Surbhi & Associates, Practicing Company Secretary, have consented their appointment as the Secretarial Auditor, if appointed and have confirmed that they have subjected to the peer review process of the Institute of Company Secretaries of India (“ICSI”) and hold a valid certificate of peer review issued by the ICSI. Further, P. Surbhi & Associates, Practicing Company Secretary, have confirmed that they are eligible for appointment as the

Secretarial Auditor and are free from any disqualifications.

The proposed remuneration to be paid to the Secretarial Auditor for the financial year 2024- 25 is Rs. 45,000.00/- (Rupees Forty-Five Thousand). The said remuneration excludes applicable taxes and out of pocket expenses. The remuneration for the subsequent years of their term shall be fixed by the Board of Directors based on the recommendation of the Audit Committee of the Company.

In accordance with the provisions of Regulation 24A of the Listing Regulations, the appointment of Secretarial Auditor, is required to be approved by the Members of the Company. Accordingly, approval of the Members is sought for passing the Ordinary Resolution as set out at Item No. 4 of this Notice.

None of the Directors / Key Managerial Personnel of the Company /their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends the Ordinary Resolution set out at Item No.4 of this Notice for approval by the Members.

Item No. 5:

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“Listing Regulations”), with effects from April 01, 2025, requires every listed entity to take approval of shareholders in the case of specified Related party transaction.

As per Section 188(1)(d) of the Companies Act, 2013, availing or rendering of any services by related parties require approval of shareholders in general meeting by way of Ordinary Resolution in case the value exceed the limit as specified.

Pursuant to explanation 3 of Rule 15 of Chapter XII the particulars of the transactions with related party are given below:

1. Name of the Related Party: Nagpur Tools Private Limited.
2. Name of the director or Key Managerial Personnel related: Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria.
3. Nature of Relationship: Director and Member.
4. Nature, Material Terms, monetary value and particular of the contract or arrangement: Job Work; Rs. 15 Crores per annum.

Accordingly, approval of members is sought for passing the Ordinary Resolution as set out in Item No. 5 of the Notice.

None of the Directors and Key Managerial Personnel and their relatives except Mr. Ajayprakash Kanoria and Mrs. Alka Kanoria, is in any way concerned or interested, financially or otherwise, in the resolution.

The Board of Directors commends the resolution as set out at Item No. 5 for approval of the members.

DIRECTOR'S REPORT

Dear Shareholders,

The Board of Directors is pleased to present the Second Annual Report for the financial year 2024-25, together with the Standalone Audited Financial Statements for the year ended on March 31, 2025.

Financial Highlights:

Amount in LAKHS (INR)

| Particulars | Standalone | |
|---|------------|-----------|
| | F.Y. 2025* | F.Y. 2024 |
| Total Revenue from Operations | 11654.99 | 0.00 |
| Other Income | 37.56 | 0.00 |
| Total Expenditure (excl. depreciation, interest and tax) | 5529.81 | 0.00 |
| Profit before depreciation, interest and tax | 6162.74 | 0.00 |
| Less: Interest | 9.16 | 0.00 |
| Less: Depreciation and amortization expense | 195.23 | 0.00 |
| Profit before tax | 5958.35 | 0.00 |
| Less: Net tax expense | 1509.71 | 0.00 |
| Profit for the year | 4448.64 | 0.00 |
| Add: Surplus carry forward from the last year Balance sheet | 0.00 | 0.00 |
| Add: Transfer due to scheme of arrangement | 3427.07 | 0.00 |
| Add: Cancellation of Subscriber Share Capital | 1.00 | 0.00 |
| Less: Transfer for Issue of Share Capital | 106.71 | 0.00 |
| Balance carried over to Balance Sheet | 7770.00 | 0.00 |
| Earnings Per share (₹) | 41.69 | 0.00 |

The total revenue from operation for the F.Y. 2024-25 is Rs. 11654.99 Lakhs and operational revenue generation of Rs. 4448.64 Lakhs.

*The results are not comparable from the previous year because the Company has been incorporated on April 25, 2023 and had no operations till November 19, 2024 (being the Effective date). However, in view of the provisions of the Companies Act read along with the Order dated October 28, 2024 passed by Honorable National Company Law Tribunal approving the Scheme of Arrangement, Company is required to report the operations from April 1, 2024 (Appointed Date) to November 19, 2024 (Effective date) as its own operations even though the physical transactions were conducted with the legal entity, Emkay Taps and Cutting Tools Limited (Demerged Company).

Share Capital

The paid-up equity share capital as on 31st March 2025 was 10671300 equity shares of Rs. 1/- each (Rupee One only) amounting to total of Rs. 1,06,71,300/-. The Company has not issued any shares with differential voting rights or granted stock options or sweat equity or through any other permissible mode during the FY 2024-25.

The paid-up capital as on 31st March 2024 was 100000 equity shares of Rs. 1/- each (Rupee One Only) amounting to total of Rs. 1,00,000.00/-. Pursuant to the sanction of the Composite Scheme of Arrangement inter-alia involving Emkay Taps and Cutting Tools Limited ('Demerged Company') and of Emkay Tools Limited ('Resulting Company') and their respective shareholders, under section 230 to 232 and other applicable provisions of the Companies Act, 2013 by the Hon'ble National Company Law Tribunal, Mumbai (Bench II), vide order dated October 28, 2024

and the Scheme becoming effective from November 19, 2024 ('Effective Date') upon filing of the said order with the Registrar of Companies, Mumbai, with the consent of the Board of Directors, the existing 100000 equity shares stands cancelled and further Company allotted 1 (One) fully paid-up equity shares of the face value of INR 1/- each of the Resulting Company for every 1 (One) fully paid-up equity shares of the face value of INR 10/- each held in the Demerged Company on December 05, 2024.

Dividend

The Board of Directors have recommended final dividend for the year under review, @ Rs. 2.50/- per Equity Shares of Face Value Rs. 1/- each.

Transfer to Reserve

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

Material changes / developments during the year :

During the year under review the Hon'ble Mumbai Bench of the National Company Law Tribunal (NCLT) granted its approval to the Scheme of Arrangement vide Order No. C.P.(CAA) 122(MB) 2024 dated October 28, 2024. The entire business of manufacturing tools of Emkay Taps and Cutting Tools Limited i.e., Demerged Undertaking, as defined in the Scheme, of the Company was demerged, transferred and vested into Emkay Tools Limited ("Resulting Company") on going concern basis in accordance with the Composite Scheme. By virtue of Composite Scheme of Arrangement, Emkay Tools Limited were ceased to be a Wholly Owned Subsidiary of the Company with effect from April 01, 2024.

The relevant documents for obtaining in-principal approval for listing of its resulting Company i.e Emkay Tools Limited has been submitted to the National Stock Exchange of India.

Material Changes / Events after the date of balance sheet date

During the year under review, the company received the final listing approval on July 04, 2025 to start trading on the NSE SME Emerge platform from July 08, 2025.

Change in the nature of business

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

Deposits

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

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

The Company has made compliance with the provisions of Section 186 of the Companies Act, 2013 during the financial year under review. Please refer to Note 12 and 18 to the financial statement for F.Y. 2024-25.

Subsidiary, Associate and Joint Venture

During the year under review, the Company does not have any Subsidiary, Associate or Joint Venture Company.

Corporate Governance

The Company has taken all necessary steps to implement the provisions of the regulations and detailed Corporate Governance Report for the F.Y. 2024-25 forms integral part of this Annual Report.

Management Discussion and Analysis [MDA]

Management Discussion and Analysis, for the year under review, as stipulated under Regulation 34 (2) (e) of SEBI (LODR), 2015, is presented in a separate section forming integral part of this Annual Report.

Related party transactions

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

financial year which were in the conflict of interest of the Company. An "Annexure A- Form AOC-2" on Related Party disclosures for the year under review, form part of this Annual Report.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed at www.emkaytoolsltd.com

Board Meetings

During the year under review Ten (10) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Committees

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

Directors and Key Management Personnel

I. Retirement by Rotation

In accordance with the provisions of section 152[6] of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mrs. Alka Kanoria (DIN: 00041346) will retired by rotation at the Annual General Meeting (AGM) on September 15, 2025.

II. Profile of the Directors seeking Appointment / Reappointment

Mrs. Alka Kanoria, Director of the Company, retired by rotation and is seeking appointment / reappointment at the ensuing Second Annual General meeting. The Brief Profile of Director seeking appointment/ re-appointment is annexed in Annexure "E" to this report.

III. Re-appointment of Director

No Directors have been reappointed as Director during the year under review.

IV. Key Managerial Personnel

Pursuant to Section 2(51) and Section 203 of the Companies, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following are the Key Managerial Personnel-

- ◆ Mr. Ajayprakash Kanoria- Managing Director
- ◆ Mr. Sumit Gaidhane- Chief Financial Officer (CFO)
- ◆ Mrs. Riya Agrawal - Company Secretary and Compliance Officer

During the year under review, following changes has been made – Mr. Vishu Sontakke, Chief Financial Officer (CFO) resigned on September 20, 2024 and Mr. Sumit Gaidhane, Chief Financial Officer (CFO) has been appointed on October 10, 2024.

Mr. Aditya Kokil, Company Secretary and Compliance Officer resigned on September 20, 2024 and Mrs. Riya Agrawal, Company Secretary and Compliance Officer has been appointed on September 20, 2024.

V. Board Evaluation

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

The Policy for Evaluation of Performance of the Board of Directors was formulated by Nomination and Remuneration Committee of the Board of Directors and same has been approved and adopted by the Board of Directors in their Meeting held on September 20, 2024.

The criteria for evaluation have been provided in the Corporate Governance Report, which forms integral part of this Report. Also, the Policy for Evaluation of Performance of the Board of Directors is available on the website of the Company, for reference visit www.emkaytoolsltd.com

VI. Declaration by Independent Directors

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

During the year under review, Mr. Ravindra Ramesh Loiya (DIN : 07158487) and Mr. Palathayi Cheriath Ramchandran (DIN : 07575222) were appointed as Independent Directors of the Company with effect from August 10, 2024.

VII. Familiarization Program for Independent Directors

With the commencement of SEBI (LODR) Regulation, 2015 w.e.f.

December 2, 2015, the listed entity is required to conduct the program for the new joining director of the company to get him/her familiarized with the company. New Director joined the Board of the Company during the year under review.

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Independent Directors of the Company were also provided with necessary documents/ brochures, reports and internal policies to familiarize them about the industry, business operations and functioning of various divisions/departments of the Company. The Company has not conducted familiarization program to the Independent directors for the reporting period (FY 2024-25), since the company was under the process of listing its share on NSE SME Emerge and listed its Securities on July 08, 2025. The same shall be implemented by the Company from the upcoming Financial Year onwards.

VIII. Policies

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

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

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

| POLICY NAME | BRIEF DESCRIPTION |
|--|--|
| Insider Trading Policy | The Company has adopted the Code of Conduct to regulate, monitor and report trading by insiders and Code of fair disclosure of unpublished price sensitive information for the Directors, KMP and other designated officers and connected persons of the Company |
| Code of Conduct | The Company has formulated and adopted Code of Conduct for the Senior Management and officers of the Company. |
| Policy on Vigil Mechanism (Whistleblower Policy) | The Company has adopted the Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. |
| CSR Policy | The company believes in the Philosophy of moving together and growing together. The Directors have adopted policy on CSR to spend as required under the Companies Act, 2013 for activities those are benefiting to the Society as a Whole. |
| Nomination & Remuneration Policy | As required under the provisions of the Companies Act, 2013 Board of Directors has adopted policy for appointment of the Director and for determination of remuneration payable to them. |
| Policy for Determination | This policy has been formulated by the Board of Directors and it deals with the determination of materiality of the Event/ Information and its dissemination to the Stakeholders at large.or Information |
| Archival Policy | This policy is for retention and preservation of documents and records of the Company. |
| Prevention of Sexual Harassment at workplace policy | This policy has been formulated to define the guidelines and the process to be followed in order to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment in addition to the matters connected therewith or incidental thereto. The Internal Complaints Committee has been appointed accordingly. |
| Policy for Evaluation of Performance of the Board of Directors | The company has formulated this policy for annual performance evaluation of the Directors individually and its committees. It ensures, the performance of the Board is in compliance of SEBI (LODR) Regulations, 2015 |
| Related Party Policy | This policy has been formulated by the Board of Directors on June 23,2025 and its deals on related party transactions |

Directors' Responsibility Statement

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

- i. in the preparation of the annual financial statements for the year ended on March 31, 2025, applicable accounting standards read with requirements set out under schedule III of the Act, have been followed along with proper explanation relating to material departures, if any,
- ii. such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2025 and of the profit of the company for the year ended on that date,
- iii. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities,
- iv. the annual financial statements are prepared on a going concern basis,
- v. proper internal financial controls are in place and that the financial controls are adequate and are operating effectively and
- vi. the systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

Internal Control Systems

The Internal Financial Control systems of the Company are adequate with reference to the Financial Statement, size and operations of the Company. The Board of Directors of the Company observes the effective functioning of internal financial controls.

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

Statutory Audit

P.S. THAKARE & Co (Firm registration No.: 128572W), Chartered Accountants, were appointed as the Auditor of the Company, for a term of 5 (five) consecutive years, at the Annual General Meeting held on September 04, 2024. The Auditor have confirmed that they are not disqualified from continuing as the Auditor of the Company.

M/s P.S. THAKARE & Co., Chartered Accountants, has submitted Auditor's Report with unmodified opinion and unmodified figures for the financial year ended March 31, 2025 in compliance of Reg. 33 (1) (d) of SEBI (LODR) Regulations, 2015. The Board has duly reviewed the Auditor's Report and the Observations and comments, appearing in the Auditor's Report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors.

Secretarial Audit

Pursuant to the provisions of section 204[1] of the Act read with

rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, company is required to annex the Secretarial Audit report with its Board Report. Accordingly, the appointment of M/s P. Surbhi & Associates, Nagpur has been made by the Board in their meeting held on June 23, 2025 to conduct Secretarial Audit and report thereon for F.Y. 2024-25 to F.Y. 2028-29.

Accordingly, the Secretarial Audit Report given by M/s P. Surbhi & Associates, Nagpur for the F.Y. 2024-25 is annexed herewith as "Annexure B". The Board has duly reviewed the Secretarial Auditor's Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors as provided under Section 134 of the Companies Act, 2013.

In accordance with the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Board has recommended to the Members of the Company the appointment of P. Surbhi & Associates, Practicing Company Secretaries (COP No. 27412), as the Secretarial Auditor of the Company for a term of 5 (five) consecutive financial years, commencing from the financial year 2024-25 to the financial year 2028-29 to conduct Secretarial Audit of the Company. They have confirmed their eligibility and qualification required under the Act and the Listing Regulations for holding the office, as the Secretarial Auditor of the Company.

Details of Fraud Report by Auditor

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

Maintenance of Cost Records

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

Business Risk Management

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

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

Vigil Mechanism

The Board of Directors has formulated a Vigil Mechanism/Whistle

Blower Policy which provides a robust framework for dealing with genuine concerns and grievances.

Insider Trading Code

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

Corporate Social Responsibility

Being the first year of operation of the Company, section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, are not applicable for the Financial year ended March 31, 2025.

Business responsibility and sustainability report

The Company believes that it can only be successful in the long term by creating value both for its shareholders and for society. The Company is mindful of the needs of the communities and works to make a positive difference and create maximum value for the society.

SEBI, vide its circular dated May 10, 2021, made BRSR mandatory for the top 1,000 listed companies (by market capitalization) from FY 2022-2023 in respect of reporting on ESG (Environment, Social and Governance) parameters. Since, the Company does not fall under these criteria the Business Responsibility & Sustainability Report for FY 2024-2025 is not applicable to the Company.

Particulars of Employees

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

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

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

Details of application made or proceeding pending under Insolvency and Bankruptcy Code 2016

During the financial year under review, there were no application/s made or no proceeding were pending in the name of the company under the Insolvency and Bankruptcy Code, 2016.

Maternity Benefit provided by the Company under Maternity Benefit Act 1961

During the year under review the company has complied with the Maternity Benefit Act 1961 and ensured that the maternity leave benefit, workplace facilities and related provisions are duly followed.

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

There were no cases/complaints filed during the year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“Act”).

The Company has in place an Internal Complaints Committee (ICC) in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

| During the Financial Year 2024-25 | |
|---|----------------|
| Number of Complaints Received | 0 |
| Number of Complaints disposed off | Not Applicable |
| Number of cases pending for more than 90 days | Not Applicable |

The Company is committed to providing a safe and respectful work environment for all its employees, and necessary awareness programs are conducted from time to time.

Details of difference between valuation amount on one time settlement and valuation while availing loan from banks and financial institutions

During the Financial year under review, there were no one time settlement of Loans taken from Banks and Financial institutions

Significant and Material Orders

During the year under review, the National Company Law Tribunal at Mumbai has sanctioned the Scheme of Arrangement inter-alia involving Emkay Taps and Cutting Tools Limited ('Demerged Company') and of Emkay Tools Limited ('Resulting Company') and their respective shareholders, under section 230 to 232 and other applicable provisions of the Companies Act, 2013, wide order dated October 28, 2024. The Scheme became effective from November 19, 2024 ('Effective Date') upon filing of the said order with the Registrar of Companies, Mumbai. The Appointed Date is April 01, 2024.

The entire business of manufacturing tools of Emkay Taps and Cutting Tools Limited i.e., Demerged Undertaking, as defined in the Scheme, of the Company was demerged, transferred and vested into Emkay Tools Limited ("Resulting Company") on going concern basis in accordance with the Composite Scheme.

Green Initiative

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of second Annual General Meeting of the Company including the Annual Report for FY 2024-25 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

Cautionary Statement

This report contains forward - looking statements based on the perceptions of the Company and the data and information available with the company. The company does not and cannot guarantee the accuracy of various assumptions underlying such statements and they reflect Company's current views of the future events and are subject to risks and uncertainties. Many factors like change in general economic conditions, amongst others, could cause actual results to be materially different.

Secretarial Standards

The Company has complied with the applicable Secretarial Standards on Meeting of the Board (SS-1) and General Meetings (SS-2) specified by the Institute of Company Secretaries of India. The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

Acknowledgement

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

For and on behalf of the Board of Directors of

For **EMKAY TOOLS LIMITED**

Nagpur,
Saturday
August 23, 2025

 **Ajayprakash Kanoria**
Managing Director

Annexures to Director's Report

Annexure A - Form AOC-2

Particulars of Contract or Arrangements with Related Parties

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

- (a) Names(s) of the related party and nature of relationship: NA
- (b) Nature of the contracts/arrangements/transactions: NA
- (c) Duration of the contracts / arrangements/transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, If any: NA
- (e) Justification for entering into such contracts or arrangements or transactions: NA
- (f) Date(s) of approval by the Board: NA
- (g) Amount paid as advances, if any: NA
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

2. Details of the material contracts or arrangements or transactions at arm's length basis:

- (a) Names(s) of the related party and nature of relationship: Please see Annexure to AOC -2
- (b) Nature of contracts/Arrangements/ Transactions: Please see Annexure to AOC -2
- (c) Duration of the contracts /Arrangements/ Transactions: During the Financial Year 2024-25.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: No salient terms defined for the transactions with the related parties.
- (e) Date(s) of approval by Audit Committee: Audit Committee was established on September 20, 2024. Transaction for the FY 2024-25 was approved by the Audit Committee of Emkay Taps and Cutting Tools Limited i.e. Demerged Company.
- (f) Amount paid as advances during the F.Y. 2024-25, if any: Please see Annexure to AOC -2.

Note: for the definition of "Materiality", refer to the related party Transaction policy on the website of the company (www.emkaytoolsltd.com). However, the company has opted to disclose all the transactions with related parties during the year under review.

For and on behalf of the Board of Directors of

For EMKAY TOOLS LIMITED

Nagpur,
Saturday
August 23, 2025

 Ajayprakash Kanoria
Managing Director

Annexure A - Form AOC-2

| Names(s) of the related party | Nature of relationship | Nature of contracts/ Arrangements / Transactions | Amount of Transactions (in ` Lakhs) | |
|--------------------------------------|-------------------------|--|-------------------------------------|--------------|
| | | | F.Y. 2024-25 | F.Y. 2023-24 |
| (a) | (b) | (c) | | |
| Nagpur Tools Private Limited | Promoter Group Company | Job Work | 1293.49 | NIL |
| Adishree Engineering Private Limited | Promoter Group Company | Job Work | 96.28 | NIL |
| Emkay Taps and Cutting Tools Limited | Promoter Group Company | Loans taken | NIL | 2.73 |
| Emkay Taps and Cutting Tools Limited | Promoter Group Company | Sales | 414.81 | NIL |
| Mr. Ajayprakash Kanoria | Managing Director | Due to | 119.87 | NIL |
| Emkay Taps and Cutting Tools Limited | Promoter Group Company | Due from | 25.95 | NIL |
| Mr. Ajayprakash Kanoria | Managing Director | Managerial Remuneration | 214.75 | NIL |
| Mr. Sumit Gaidhane | Chief Financial Officer | Salary | 6.37 | NIL |
| Mrs. Riya Agrawal | Company Secretary | Salary | 2.19 | NIL |

For and on behalf of the Board of Directors of

For **EMKAY TOOLS LIMITED**

Nagpur,
Saturday
August 23, 2025

 **Ajayprakash Kanoria**
Managing Director



EMKAY TOOLS

Annexure B

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2025

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

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, and to the best of our information, knowledge and belief and according to the explanations given to me, the Company has, during the audit period covering the financial year ended on 31st March 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2025, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; which is applicable to the Company during the year;
- v. The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992, (SEBI Act):
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
 - iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - iv. The Securities and Exchange Board of India (Issue of capital and Disclosure of requirements) Regulations, 2018*
 - v. The Securities and exchange Board of India (Employees Stock option scheme and employees stock purchase scheme) Guidelines, 1999*.
 - vi. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations 2008*.
 - vii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
 - viii. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009*.
 - ix. The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018*.

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

Industry Specific Acts

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

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

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

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

I further report that:

- ◆ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ◆ Adequate notice was given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the audit period there was no events occurred which had bearing on the Company's

Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Dated :- 19.08.2025

Place :- Nagpur

For **P.SURBHI & ASSOCIATES**
Company Secretaries

 **SURBHI PACHISIA**
(Proprietor)

Mem. No. A31291

CP. No.27412

UDIN:- A031291G001033908

Peer Review Certificate no. 5921/2024

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

'ANNEXURE -1' TO SECRETARIAL AUDIT REPORT

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

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

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

Dated :- 19.08.2025

Place :- Nagpur

For P.SURBHI & ASSOCIATES
Company Secretaries

 SURBHI PACHISIA
(Proprietor)

Mem. No. A31291

CP. No.27412

UDIN:- A031291G001033908

Peer Review Certificate no. 5921/2024

| | |
|-----------------------------------|--|
| CS SURBHI PACHISIA, ACS,B Com LLB | P. SURBHI & ASSOCIATES |
| | COMPANY SECRETARIES |
| | Business Plaza, Ground Floor, 6 Farmland |
| | Central Bazar Road, Near Lokmat Square, NAGPUR- 440010. Phone: 2437195, 2438181 |
| | Phone: 2437195, 2438181 FAX : 0712 - 2435068 |

COMPLIANCE CERTIFICATE AS ON MARCH 31, 2025.

(Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015)

I, SURBHI PACHISIA, Practising Company Secretary appointed by Emkay Tools Limited (Listed on NSE SME Emerge w.e.f. July 08,2025) am aware of the compliance requirement of Structured Digital Database (SDD) pursuant to provisions of Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) and I certify that

1. the Company has a Structured Digital Database in place
2. control exists as to who can access the SDD
- ~~3. all the UPSI disseminated in the previous quarter or year have been captured in the Database.~~
(In the previous year, being the public unlisted company, the company was not eligible for capturing the UPSI database. However the Company is capable to capture all the UPSI in the forthcoming period depending on the eligibility criteria)
- ~~4. the system has captured nature of UPSI along with date and time~~
(In the previous year, being the public unlisted company, the company was not eligible for capturing the UPSI database. However the Company is capable to capture all the UPSI in the forthcoming period depending on the eligibility criteria)
5. the database has been maintained internally and an audit trail is maintained
6. the database is non-tamperable and has the capability to maintain the records for 8 years.

I also confirm that the Company was not required to capture any events during the period.

I also confirm that the Company has not done any non compliance in the previous quarter or financial year ended 31.03.2025 and therefore has not taken any remedial action(s) taken.

For P. SURBHI & ASSOCIATES

SD/-

SURBHI PACHISIA

Practicing Company Secretary

(MEMBERSHIP NO. A31291)

(COP 27412)

UDIN:-A031291G001033864

Date: 19.08.2025

Place: Nagpur

Annexure C

PARTICULARS OF EMPLOYEES

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

- A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year; and
 B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary in the F.Y. 2024-25.

(Amount in Lakhs)

| Sr. No. | Name | Designation | Total Remuneration | Ratio of Directors Remuneration to Median remuneration | % increase in the remuneration |
|-------------------------------------|-------------------------|-----------------------|--------------------|--|--------------------------------|
| | | | | (A) | (B) |
| I. Executive Director | | | | | |
| 1. | Mr. Ajayprakash Kanoria | Managing Director | 214.75 | | 100.00* |
| 2. | Mrs. Alka Kanoria | Director | 0 | | 0 |
| II. Key Managerial Personnel | | | | | |
| 3. | Mr. Sumit Gaidhane | Chief Finance Officer | 6.37 | NA | 100.00* |
| 4. | Mrs. Riya Agrawal | Company Secretary | 2.19 | NA | 100.00* |

*% increase in the remuneration is 100%, being the first year of the company's operation and remuneration payable with effect from financial year 2024-25. No remuneration was paid in earlier year.

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

| Median Remuneration (₹) | | % Increase in the Median Remuneration |
|-------------------------|---------|---------------------------------------|
| 2024-25 | 2023-24 | for Fiscal 2024-25 |
| 420000.00 | 0.00 | 100.00 |

- D. The number of permanent employees on the rolls of company as on March 31, 2025: 81

| | | |
|---------------|---|----|
| ● Male | – | 78 |
| ● Female | – | 3 |
| ● Transgender | – | 0 |

- E. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

| Particulars | Average % increase / decrease in salaries for fiscal 2024-25 |
|---|--|
| All permanent Employees | NA* |
| Executive Directors/ Managerial Remuneration | |
| Mr. Ajayprakash Kanoria | NA* |
| Mrs. Alka Kanoria | NA* |

*The results are not comparable from the previous year because the Company has been incorporated on April 25, 2023 and had no operations till November 19, 2024 (being the Effective date). However, in view of the provisions of the Companies Act read along with the Order dated October 28, 2024 passed by Honorable National Company Law Tribunal approving the Scheme of Arrangement, Company is required to report the operations from April 1, 2024 (Appointed Date) to November 19, 2024 (Effective date) as its own operations even though the physical transactions were conducted with the legal entity, Emkay Taps and Cutting Tools Limited (Demerged Company).

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

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

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

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

Annexure D

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

Pursuant to Section 134(3) (m) of the Companies Act, 2013 and the rules made therein and forming part of the Directors' Report for the year ended March 31, 2025

Conservation Of Energy

◆ Steps taken or impact on conservation of energy:

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

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

The company has installed solar panels in the Company to be used for office premises of the Company.

◆ Capital investment on energy conservation equipment's: ` Nil

Technology Absorption

◆ Efforts made towards technology absorption:

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

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

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

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

◆ The expenditure incurred on Research and Development : NIL

Foreign Exchange Earnings and Outgoing

Amount in (Rs. Lakhs)

| Particular | 2024-25 | 2023-24 |
|-------------------------------|---------|---------|
| Total Foreign Exchange Outgo | 619.12 | NIL |
| Total Foreign Exchange Earned | 764.15 | NIL |

Annexure E

Details of Director seeking re-appointment at the Second Annual General Meeting)

| | |
|---|---|
| Name | Alka Ajayprakash Kanoria |
| DIN No. | 00041346 |
| Date of Birth | August 05, 1959 |
| Appointed on | April 25, 2023 |
| Qualifications | Bachelor 's Degree of Science |
| Brief Profile | Mrs. Alka Ajayprakash Kanoria presently designated as the Director of the Company. With her strong management skills, she handles the administrative office in a very planned and systematic manner. She was appointed as the Director of the Company on April 25,2023. |
| Directorship held in other Public (excluding private companies) | Emkay Taps and Cutting Tools Limited |
| Membership/ Chairmanship Of Committees in other Companies | None |
| No of Shares held in the Company (as on date) | 1124190 |
| Relationship with other directors | Wife of Mr. Ajayprakash Kanoria, Managing Director of the Company. |

Corporate Governance Report 2024-25

Philosophy

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

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

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

As per regulation 15(2) (a) and 15(2) (b) of SEBI (LODR) regulation, 2015, Para C, D, E of Schedule V of the regulation shall not apply to SME listed companies. The Company has voluntarily opted to give the Corporate Governance Report - 2024-25 as a good corporate governance practice.

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

Board of Directors

◆ Composition of the Board

As on date of signing this report, the Company's Board comprised of 5(five) Directors viz., a Managing Director, a director and three (3) Non-Executive Independent Directors.

The composition of the Board is as per the provisions of section 149 of the Companies Act, 2013 and is in conformity with regulation 17 of SEBI (LODR) regulation, 2015 which stipulates that:

- (i) the Board should have at least a woman director;
- (ii) not less than 50% of the Directors should be Non-Executive Directors; and
- (iii) where the Chairman of the Board is an Executive Director not related to the promoter group, at least half of the Board should comprise of independent directors.

◆ Number of Board Meetings

During the financial year from 1st April, 2024 to 31st March 2025, the Board of Directors met Ten (10) times on –June 18, 2024; August 01, 2024; August 10, 2024; September 20, 2024; November 12, 2024; November 23, 2024; December 05, 2024; January 13, 2025; February 04, 2025; and March 11, 2025. The maximum time gap between any two consecutive board meetings was not more than 120 days.

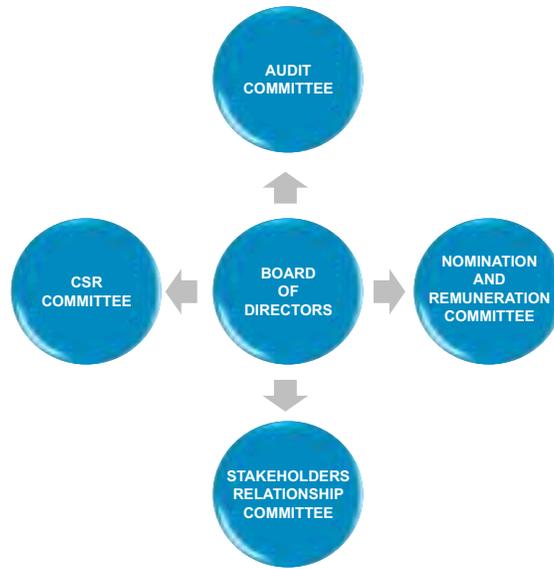
◆ Code of conduct for Board Members and Senior Management Personnel

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

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

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

| Sr. No. | Name of the Director | Category/Status of Directorship | No. of Board Meetings attended during the F.Y. 2024-25 | No. of Directorship(s) in other Public Limited Companies | No. of Committee positions held in other Public Limited Companies | | No. of Equity Shares held in the Company as on March 31, 2025 |
|---------|----------------------|---------------------------------|--|--|---|--------|---|
| | | | | | Chairman | Member | |
| 1. | Ajayprakash Kanoria | MD | 10 | 1 | 1 | 1 | 6,28,050 |
| 2. | Alka Kanoria | D | 10 | 1 | 0 | 1 | 11,24,190 |
| 3. | Mahesh Mor | NEID | 10 | 1 | 3 | 1 | 0 |
| 4. | Ravindra Loiya | NEID | 7 | 1 | 0 | 2 | 14400 |
| 5. | P.C. Ramchandran | NEID | 7 | 1 | 0 | 3 | 0 |



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

◆ Audit Committee

The Audit Committee of the Board of Directors met Two (2) times during the F.Y. under review viz., December 30, 2024 and March 11, 2025. The maximum time gap between any two consecutive meetings was not more than 120 days. (The Audit committee met two times in a period due to establishment of the committee on September 20, 2024.)

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

| Sr. No. | Name | Designation | Position in Committee | No. of Committee Meetings attended during the F.Y. 2024-25 |
|---------|-------------------------|-------------|-----------------------|--|
| 1. | Mr. Ravindra Loiya | NEID | Chairman | 02 |
| 2. | Mr. P. C. Ramchandran | NEID | Member | 02 |
| 3. | Mr. Ajayprakash Kanoria | CMD | Member | 02 |

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

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

◆ Stakeholders' Relationship Committee

The Committee met once on March 11, 2025 at the registered office of the company which was attended by Mr. Mahesh Mor, Mr. Ravindra Loiya and Mr. P. C. Ramchandran. The Stakeholders' Relationship Committee comprised as under: -

| Sr. No. | Name | Designation | Position in Committee | No. of Committee Meetings attended during the F.Y. 2024-25 |
|---------|-----------------------|-------------|-----------------------|--|
| 1. | Mr. Mahesh Mor | NEID | Chairman | 01 |
| 2. | Mr. Ravindra Loiya | NEID | Member | 01 |
| 3. | Mr. P. C. Ramchandran | NEID | Member | 01 |

The Company Secretary acts as the Secretary to the Committee.

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

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

◆ Nomination and Remuneration/Compensation Committee

The Nomination and Remuneration Committee of the Company met once (1) times during the FY. 2024-25 on March 11, 2025. Composition of Committee and Directors' Attendance Record in Committee meeting:

| Sr. No. | Name | Designation | Position in Committee | No. of Committee Meetings attended during the F.Y. 2023-24 |
|---------|-----------------------|-------------|-----------------------|--|
| 1. | Mr. Mahesh Mor | NEID | Chairman | 01 |
| 2. | Mr. Ravindra Loiya | NEID | Member | 01 |
| 3. | Mr. P. C. Ramchandran | NEID | Member | 01 |

The terms of reference of the Committee are in line with the provisions of the Clause 52 of the Listing Agreement and Section 178 of the Companies Act, 2013 and the Rules made thereunder. The Company Secretary acts as the Secretary to the Committee. The detailed policy is uploaded on the website of the company on www.emkaytoolsltd.com.

Terms of Reference:

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

Role of the Committee

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To carry out evaluation of Director's performance.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.

◆ Corporate Social Responsibility Committee

Pursuant to section 135 of the Companies Act, a Corporate Social Responsibility (CSR) Committee of the Board was constituted with effect from April 1, 2025.

The CSR committee comprises of atleast 1 Non-Executive Non Independent Directors.

The Composition of the CSR Committee is as follows:

| Sr. No. | Name | Designation | Position in Committee | No. of Committee Meetings attended during the F.Y. 2024-25 |
|---------|---------------------|-------------|-----------------------|--|
| 1. | Ajayprakash Kanoria | MD | Chairman | 0 |
| 2. | Alka Kanoria | D | Member | 0 |
| 3. | Mr. Mahesh Mor | NEID | Member | 0 |

The Company has formulated a policy for its CSR activities and the duties and responsibilities of the Committee include-

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred above;
- monitor the Corporate Social Responsibility Policy of the company from time to time;
- ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company;
- Carrying out any other functions or duties as prescribed under Section 135 or other applicable provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time or as may be entrusted by the Board from time to time.

◆ Remuneration of Managing and Whole-time Director

The details of remuneration paid from 1st April, 2024 to 31st March, 2025 are given below:

| Name and Designation | Ajayprakash Kanoria Managing Director |
|--|--|
| | Amount (In Lakhs) |
| Basic Salary | 36.00 |
| Perquisites & Allowances | 0 |
| 3% of Net Profit | 178.75 |
| Contribution to PF and superannuation fund | 0.29 |
| Total | 215.04 |

◆ Sitting fees to Non-Executive Directors

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

| Sr. No. | Name | Designation | | | Amount payable per meeting (INR) | |
|---------|-----------------------|-------------|-------------------------------|----------------------------|----------------------------------|--------------------|
| | | | Meeting of Board of Directors | Meeting of all Committees* | Board Meeting | Committee Meetings |
| 1. | Mr. Mahesh Mor | NEID | 10 | 3 | 2500 | 1000 |
| 2. | Mr. Ravindra Loiya | NEID | 7 | 5 | 2500 | 1000 |
| 3. | Mr. P. C. Ramchandran | NEID | 7 | 5 | 2500 | 1000 |

Note: *Includes one meeting of Independent directors

◆ Related Party Transactions

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

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

◆ Management Discussion and Analysis

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

◆ Share Reconciliation Audit

The Company has not conducted share Reconciliation Audit for the reporting period (FY 2024-25), since the company was under the process of listing its share on NSE SME Emerge and listed its Securities on July 08, 2025. The same shall be implemented by the Company from the upcoming Financial Year onwards from Quarter ending September 30, 2025.

◆ Investors Complaints

There were no complaints received during the year under review and no pending complaints as on March 31, 2025. To facilitate the shareholders, Stakeholders Relationship Committee, headed by Mr. Mahesh Mor has been formed. Further, stakeholders may contact Mrs. Riya Agrawal, Company Secretary and Compliance Officer for redressal of Investors Grievances at investors@emkaytoolsltd.com

◆ Mandatory Requirements of SEBI (LODR) Regulation, 2018

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

◆ General Body Meetings

Particulars of first Annual General Meetings, since the Company has been incorporated on April 25, 2023:

| AGM | Year Ended | Venue | Date | Time |
|-----------------|----------------|--|-------------------|----------|
| 1 ST | March 31, 2024 | Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate, Nagpur-440016 | September 4, 2024 | 10:00 AM |

◆ Special Resolutions

There was a one special resolution passed at the NCLT convened meeting of equity shareholders on 02nd May 2025 for approval of Scheme of Arrangement between Emkay Taps and Cutting Tools Limited and Emkay Tools Limited and their respective shareholders.

◆ Postal Ballot

No resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

◆ Performance Evaluation

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

◆ Criteria for Evaluation:

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

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

◆ Disclosures

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

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

◆ Means of Communication

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



General Information to Shareholders

| Sr. No. | Salient Items of Interest | Particulars |
|---------|--|--|
| 1. | AGM Day and Date Time Venue | : On Monday, September 15, 2025 : 11.30 AM : Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016 |
| 2. | Financial Year | : April 1 st 2024 to March 31 st 2025 |
| 3. | Date of Book Closure for AGM | : From: Saturday, September 06, 2025 To: Monday, September 15, 2025 (both days inclusive) |
| 4. | Dividend Payment, if any declared | : @ Rs. 2.50/- per Equity Shares of Face Value Rs. 1/- each for the year under review. |
| 5. | Listing on Stock Exchanges | : The Company's equity shares are listed on SME Platform of NSE on July 08, 2025. The listing fee for the F.Y. 2025-26 has been paid. |
| 6. | Custodian Fees to Depositories | : The Company has paid fees for the F.Y. 2024-25 to National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) on time. |
| 7. | Symbol | : ETL |
| 8. | Registrar and Transfer Agents | : Bigshare Services Private Limited Registered office Address: E-2/3, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (E), Mumbai -400 072. Tel: 91-22-28470652 40430200 28470653 Fax: 91-22-2847 5207 Website: www.bigshareonline.com email: info@bigshareonline.com |
| 9. | Share Transfer System | : As all the shares are held in demat mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved. |
| 10. | Dematerialization of shares and liquidity | : All the Equity shares i.e. 100 % of the total issued, subscribed and paid-up equity share capital of the Company are held in dematerialized form. |
| 11. | Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity | : Not Applicable |
| 12. | Plant Locations | : Plot No. B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016 |
| 13. | Address for correspondence | : Compliance Officer: Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016 Ph. No. 91-9226071464 Email: ID : investors@emkaytoolsltd.com |

Shareholding Pattern as on 31st March 2025

| Categories | Total Shareholder | % of shareholders | No. Of shares held | Percentage of total (%) |
|---------------------------------------|-------------------|-------------------|--------------------|-------------------------|
| A. Promoter and Promoter Group | 06 | 0.90 | 8002800 | 74.99 |
| Promoters | 04 | 0.60 | 6107700 | 57.23 |
| Corporate Bodies (Promoter Group) | 02 | 0.30 | 1895100 | 17.76 |
| Person related to Director | 00 | 00.00 | 00 | 00.000 |
| B. Public | 646 | 97.29 | 2647650 | 24.81 |
| Non-Institutional (Individual) | 00 | 00 | 00 | 00 |
| Corporate Bodies | 17 | 2.56 | 1226400 | 11.49 |
| Clearing members | 03 | 0.45 | 9750 | 0.09 |
| Any other | 626 | 94.28 | 1411500 | 13.23 |
| C. Non-resident Indians | 12 | 1.81 | 20850 | 0.20 |
| TOTAL (A+B+C) | 664 | 100.00 | 10671300 | 100.000 |



6 Distribution of Shareholding as on 31st March 2025

| Shareholding of nominal | Number of shareholders | Percentage of total | No. of Shares | Percentage of total | |
|-------------------------|------------------------|---------------------|-----------------|---------------------|-------|
| | | % | | % | |
| 1 | 5000 | 632 | 95.18 | 339450 | 3.18 |
| 5001 | 10000 | 11 | 1.66 | 89400 | 0.84 |
| 10001 | 20000 | 10 | 1.51 | 137100 | 1.28 |
| 20001 | 30000 | 2 | 0.30 | 87000 | 0.82 |
| 30001 | 40000 | 0 | 0 | 0 | 0 |
| 40001 | 50000 | 02 | 0.30 | 87000 | 0.82 |
| 50001 | 100000 | 1 | 0.15 | 69000 | 0.65 |
| 100001 | 9999999999999999 | 6 | 0.90 | 9892950 | 92.70 |
| TOTAL | 664 | 100.00 | 10671300 | 100.00 | |

Top 10 Shareholders as on 31st March 2025

| Sr. No. | Name of shareholder | Category of shareholder | No. of shares held | % of holding |
|---------|---|--------------------------|--------------------|--------------|
| 1. | Ajayprakash Murlidhar Kanoria (HUF) | Promoter | 4353960 | 40.80 |
| 2. | Nagpur Tools Private Limited | Corporate Promoter Group | 1893600 | 17.74 |
| 3. | Alka Ajayprakash Kanoria | Promoter | 1124190 | 10.53 |
| 4. | Sudarshan Trading and Manufacturing Pvt. Ltd. | Corporate Bodies | 1073250 | 10.06 |
| 5. | Rahim Mansoor Khan | Public | 819900 | 7.68 |
| 6. | Ajayprakash Murlidhar Kanoria | Promoter | 628050 | 5.89 |
| 7. | Priya Vinyog Pvt. Ltd. | Corporate Bodies | 69000 | 0.65 |
| 8. | Nikhil S. Agrawal | Public | 44400 | 0.42 |
| 9. | Anuj Shantilal Badjate | Public | 42600 | 0.40 |
| 10. | Exim Scrips Consultants Pvt Ltd | Corporate Bodies | 30000 | 0.28 |

6 Shares held in dematerialized form as on 31st March 2025

| Particulars | Number of shares | % of total issued capital |
|--|------------------|---------------------------|
| Issued Capital / Listed Capital (as per Company records) | | |
| Held in Dematerialized form in NSDL | 251400 | 2.36 |
| Held in Dematerialized form in CDSL | 10419900 | 97.64 |
| Physical | 00 | 0.00 |
| Total No. of shares | 10671300 | 100.00 |

6 Legends used in the report:

MD - Managing Director; NEID- Non-Executive Independent Director

By the Order of Board of Directors

For **EMKAY TOOLS LIMITED**

Nagpur, Saturday
August 23, 2025


Riya Agrawal
Company Secretary & Compliance Officer

Affirmation of Compliance

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

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

For **EMKAY TOOLS LIMITED**

Nagpur, Saturday
August 23, 2025



Ajayprakash Kanoria
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Emkay Tools Limited
Nagpur

We have reviewed the compliance of the conditions of Corporate Governance by Emkay Tools Limited as on the date of Director's Report for the F.Y. 2024-25, as stipulated in the regulation 34(3) of SEBI (LODR) regulation, 2018 ("Listing Regulation") of the said Company with the Stock Exchange.

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

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

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

Nagpur, August 19 2025

For P. SURBHI & ASSOCIATES
Company Secretaries

 SURBHI PACHISIA
(Proprietor)

Mem. No. A31291

CP. No. 27412

UDIN:- A031291G001033798

Peer Review Certificate no. 5921/2024

CERTIFICATION FROM THE MANAGING DIRECTOR AND THE CFO

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

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2025 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Code of Conduct of the Company.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We do Further certify that there has been:
 - i. No Significant changes in internal control over financial reporting during the year;
 - ii. No Significant changes in accounting policies during the year;
 - iii. No Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Nagpur, Saturday August 23, 2025

For Emkay Tools Limited

 Ajayprakash Kanoria
Managing Director

 Sumit Gaidhane
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Emkay Tools Limited is a forward-thinking manufacturer and exporter of high-precision cutting tools. Built on a foundation of innovation and technical expertise, we serve the demanding needs of the automotive and aerospace industries with tools engineered for performance, durability, and precision.

BUSINESS OVERVIEW

The purpose to this demerged business was to allow your Company's Management to focus specifically on the core and growth-oriented businesses, namely Emkay Tools. During the year, major actions have been taken in various areas and the key points are being summarized hereunder for the better understanding of all its stakeholders.

1. The 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.
2. Pursuant to the Scheme and the transfer of the Demerged Undertaking of Emkay Taps and Cutting Tools Limited into your 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 your Company with effect from the appointed date of the Scheme i.e. April 01, 2024. The Scheme was subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, Shareholders and Creditors of the Company, as may be applicable, Jurisdictional Bench of National Company Law Tribunal (“NCLT”) and such other statutory and regulatory approvals as may be required. Your Company received the order dated October 28, 2024 of NCLT, Mumbai Bench approving the said scheme on November 12, 2024. Effective Date being November 19, 2024.
3. The Company has nominated NSE EMERGE as Designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has received relaxation letter from SEBI from strict enforcement of Rule 19(2)(b) of the SCRR on June 18, 2025. Further, the Company has received in-principle approvals from NSEEMERGE on April 01, 2025 for listing of equity shares and the Company has received final listing approvals from SME NSE EMERGE on July 04, 2025 for listing of equity shares, mentioning the trading to start from 08 July, 2025.

INDUSTRY OVERVIEW

The global cutting tools market is expected to experience steady growth in upcoming years, driven by factors such as rising demand from various industries like automotive, aerospace, manufacturing, and construction. In addition to this, advancement in material science is leading to the development of more durable as well as efficient cutting tools, further driving the expansion of global cutting tools market. The increasing adoption of automation in manufacturing processes across the globe is also anticipated to boost the demand for cutting tools in near future. The increased use of power tools in households and the rising scope for growth in developing nations are considered vital parameters enhancing the performance of the global market. Market CAGR for cutting tools is driven by the growing demand for customized cutting tools that cater to specific machining requirements. General-purpose cutting tools are replaced by specialized tools designed for specific applications, improving productivity and efficiency. The trend is driven by the need for higher precision, reduced cycle times, and improved surface finishes. Manufacturers invest in research and development to evolve cutting tools tailored to specific industries and applications. Customized cutting tools offer a competitive advantage by addressing the unique requirements of different industries and enhancing overall machining performance.

Source: <https://www.marketresearchfuture.com>

MARKET TREND

Additionally, one of the prominent trends in the Cutting Equipment market is the growing adoption of advanced materials, such as ceramics, polycrystalline diamond (PCD), and cubic boron nitride (CBN). These materials possess superior hardness, wear resistance, and thermal stability compared to conventional tools like high-speed steel (HSS) and carbide. The demand for advanced materials is driven by their ability to enhance cutting tool performance, improve tool life, and reduce machining costs. In the automotive



industry, cutting tools from advanced materials enable manufacturers to effectively machine high-strength materials like titanium and composites. Similarly, the aerospace industry utilizes cutting tools with advanced materials to achieve higher machining speeds and precision in producing complex components.

The Cutting Tools Market is witnessing significant trends driven by the adoption of advanced materials, customization and specialization, and the integration of Industry 4.0 technologies. These trends are shaping the future of cutting tools by enabling higher machining speeds, enhanced precision, and improved operational efficiency, driving the Cutting Tools Industry revenue.

FUTURE PROSPECT

Growing Demand - Rising middle-class income and a huge youth population will result in strong demand. In December 2024, the total production of passenger vehicles, three-wheelers, two-wheelers, and quadricycles was 19,21,268 units. The global EV market was estimated at approximately US\$ 250 billion in 2021 and by 2028, it is projected to grow by 5 times to US\$ 1,318 billion.

Opportunities - India could be a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicles. Focus is shifting to electric vehicles to reduce emissions.

Rising Investment - The automobile sector received a cumulative equity FDI inflow of about Rs. 3,22,015 crore (US\$ 36.21 billion) between April 2000 - September 2024. India is on track to become the largest EV market by 2030, with a total investment opportunity of more than US\$ 200 billion.

Policy Support - The Centre has launched the PM E-DRIVE scheme with a budget of US\$ 1.30 billion (Rs. 10,900 crore), effective from October 1, 2024, to March 31, 2026. The initiative aims to accelerate the adoption of Electric Vehicles (EVs), establish charging infrastructure, and develop an EV manufacturing ecosystem in India.



OUTLOOK OF YOUR COMPANY

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

Nevertheless, the Company is now more focused on getting customers who are looking for application and taps with special geometrics, where the prices are good. Towards this objective, the Company participated in IMTEX (International Machine Tool & Manufacturing Technology Exhibition) from 23 to 29 January 2025 in the Bengaluru city. Along with increasing customer base, the Company is also adding new products and improving levels of finished goods inventory to provide better services to our existing customers.

GLIMPSE OF IMTEX 2025



RISKS AND CONCERNS

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

The recent changes in U.S. tariff structures have had a direct bearing on the Indian cutting tools industry, particularly in the export segment. With the withdrawal of India's GSP benefits, our exports to the U.S. (which is 4 to 5 % approximately of the turnover of the company) are now subject to higher import duties, which has reduced our price competitiveness in a highly cost-sensitive market. This, coupled with rising input costs due to global tariff pressures on raw materials, has made it more challenging to maintain margins. However, the ongoing U.S.-China trade tensions have also created a window of opportunity, as American manufacturers actively seek reliable alternatives to Chinese suppliers. We are leveraging this shift by focusing on quality enhancement, timely

delivery, and strategic pricing to retain and grow our U.S. customer base, while also diversifying into new geographies to mitigate trade-related risks.

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

INTERNAL CONTROL SYSTEMS AND THEIR ACCURACY

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

The company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against unauthorized use or disposition and that transaction are authorized and recorded correctly. The company has constituted Audit Committee consisting of non-executive and independent Directors to look into various aspects of Accounts. The company has a clearly defined organization structure in place.



DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

There were no business operations during the FY 2023-24 and are hence not comparable and therefore the figures for the earlier years not presented.

Revenue

Gross Revenue from main business operations was INR 11654.99 lakh as recorded in the financial year 2024-25.,

Profits

The company has earned Profit before depreciation, Interest and Taxes (PBDIT) of INR 6162.74 lakh during the financial year under review. The profit after tax for the financial Year 2024-25 was INR 4448.64 lakh.

Earnings per share (EPS)

The basic and diluted EPS on INR 1/- paid up share are INR 41.69 and INR 41.69 respectively for the financial year ended March 31, 2025.

Reserves and Surplus

The Reserves and Surplus of the Company as on March 31, 2025 stood at INR 8248.87 lakh as against INR 3697.46 lakh as on April 01, 2024, being the appointed date.

Net worth

As on March 31, 2025 the Net worth of the company stands at INR 8355.58 lakh as against INR 3804.17 lakh as on April 01, 2024, being the appointed date.

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

The comparative ratios are not comparable from the previous year because the Company has been incorporated on April 25, 2023 and had no operations till November 19, 2024 (being the Effective date). However, in view of the provisions of the Companies Act read along with the Order dated October 28, 2024 passed by Honorable National Company Law Tribunal approving the Scheme of Arrangement, Company is required to report the operations from April 1, 2024 (Appointed Date) to November 19, 2024 (Effective date) as its own operations even though the physical transactions were conducted with the legal entity, Emkay Taps and Cutting Tools Limited (Demerged Company).

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

Return on Net-Worth for current year is 53.24%.as against on appointed Date April 01, 2024 Nil%.

Material Developments in Human Resources / Industrial Relations Front, including number of People Employed

The company believes that human resources will play a key role in its future growth. Planned efforts are made to develop and retain talent. Learning and development initiatives focus on developing the professional capabilities. The company continues to provide growth opportunities to internal talent by assigning them higher responsibilities with suitable exposure and training. The company continues to maintain positive work environment and constructive relationship with its employees with a continuing focus on productivity and efficiency. The total of employees employed as on March 31, 2025 is 81.

Cautionary Statement

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

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



INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
[M/s Emkay Tools Limited](#)
[Report on the Consolidated 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, 2025, 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, 2025, 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.

The Company in the current year has given effect to the scheme

of Arrangement (demerger) of Precision Tools business undertaking (demerged business) from M/a Emkay Taps and Cutting Tools Ltd. (Demerged Company) into M/s Emkay Tools Limited (Resulting Company). The scheme was approved by the Hon'ble National Company Law Tribunal, Mumbai bench ("the Tribunal") vide its order dated 28th October, 2024 wherein the Appointed Date has been fixed at 1st April, 2024 and the effective date of the scheme is 19th November, 2024. In virtue of this scheme being effective in the current year, accounting has been done as per the order as specified above. At the appointed date, all assets and liabilities pertaining to the demerged business has been transferred to the Company in accordance with the approved scheme.

Due to the complexity of the transaction, and considering the assumptions and estimates required to be made by management as part of identifying assets and liabilities, including presentation and disclosures in the standalone financial statements we have reported this to be a key audit matter in the current year audit.

Our Audit Procedures included the following:

- Obtained and read the Scheme and Final order passed by the Honble National Company law Tribunal and submitted with the ROC to understand its key terms and conditions;
- Evaluated the design and tested the operating effectiveness of the financial controls relevant for recording the impact of the Scheme and related disclosures;
- Assessed the appropriateness of accounting policy for accounting the De-merger and comparing the applicable Accounting Standards;

Assessed the adequacy and appropriateness of the disclosures made with respect to accounting of the transactions under the Scheme as mentioned in Note No. 45 of the standalone Financial Statement accompanied herewith.

Our opinion on the Statement is not modified in respect of these matters.

Information Other than the Consolidated 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 Consolidated 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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, 2025 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

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

 **Bhagwat Thakare**
Partner
Membership No. 127522

Place: Nagpur

Date: 16/05/2025

UDIN : 25127522BMJAEM9779

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 2025, 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, 2025 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 not made any preferential allotment or private placement of equity shares during the year. However equity shares of the company have been issued to Shareholders of Demerged Company i.e. M/s Emkay Taps and Cutting Tools Limited as per the approved Scheme of Arrangement.
- (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

Place: Nagpur

Date: 16/05/2025

UDIN : 25127522BMJAEM9779

 **Bhagwat Thakare**
Partner
Membership No. 127522

Annexure B -to The Independent Auditor's Report Of Even Date On The Consolidated 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, 2025 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, 2025, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Nagpur

Date: 16/05/2025

UDIN : 25127522BMJAEM9779

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

 Bhagwat Thakare
Partner
Membership No. 127522

**EMKAY TOOLS****Emkay Tools Limited****Balance Sheet as on 31st March 2025**

Figures in Lakhs

| PARTICULARS | Note. No. | Figures as at the end of 31 st March 2025 | Figures as at the end of 31 st March 2024 |
|---|-----------|--|--|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 4 | 106.71 | 1.00 |
| (b) Reserves And Surplus | 5 | 8248.87 | - |
| (2) Share Application Money Pending Allotment | | - | - |
| (3) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | | - | - |
| (b) Deferred Tax Liabilities (Net) | 6 | 18.96 | - |
| (4) Current Liabilities | | | |
| (a) Short-Term Borrowings | 7 | 76.87 | 2.73 |
| (b) Trade Payables | 8 | 478.88 | - |
| (c) Other Current Liabilities | 9 | 562.37 | 0.01 |
| (d) Short-Term Provisions | 10 | 1552.27 | 0.15 |
| Total : | | 11044.93 | 3.89 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Property, Plant and Equipment | 11 | 1434.23 | - |
| (ii) Intangible assets | | | |
| (iii) Capital work-in-progress | | | |
| (iv) Intangible assets under development | | | |
| (b) Non-Current Investments | 12 | 2421.08 | - |
| (c) Deferred tax assets (net) | | | |
| (d) Long term loans and advances | 13 | 34.90 | 0.21 |
| (e) Other non-current assets | 14 | 2.51 | 3.14 |
| (2) Current Assets | | | |
| (a) Current Investments | | - | - |
| (b) Inventories | 15 | 2162.65 | - |
| (c) Trade Receivables | 16 | 2862.49 | - |
| (d) Cash And Cash Equivalents | 17 | 80.37 | 0.54 |
| (e) Short-Term Loans And Advances | 18 | 368.68 | - |
| (f) Other Current Assets | 19 | 1678.02 | - |
| Total : | | 11044.93 | 3.89 |
| Cash Flow Statement | | Note 1 | |
| Significant Accounting Policies | | Note 2 & 3 | |
| Notes forming Part of Balance Sheet | | Note 4 to 46 | |

For **Emkay Tools Limited**

Ajayprakash Kanoria
Managing Director
DIN No : 00041279

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

Riya Agrawal
Company Secretary

Sumit Gaidhane
Chief Finance Officer

B.S. Thakare
Partner
Membership No. 127522

Place : Nagpur
Dated : 16/05/2025
UDIN : 25127522BMJAEM9779

Emkay Tools Limited
Profit and Loss Account for the Year Ended 31st March 2025

Figures in Lakhs

| PARTICULARS | Note No. | For the year ended 31 st March 2025 | For the year ended 31 st March 2024 |
|--|--------------|--|--|
| I. Revenue From Operations | 20 | 11654.99 | - |
| II. Other Income | 21 | 37.56 | - |
| III. Total Income | | 11692.55 | - |
| IV Expenses | | | |
| (a) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 22 | (262.36) | - |
| (b) Cost of Raw Material Consumed | 23 | 1876.83 | - |
| (c) Cost of Stores Consumed | 24 | 227.77 | - |
| (d) Cost of Packing Material Consumed | 25 | 116.94 | - |
| (e) Cost of Trading Goods Consumed | 26 | 6.10 | - |
| (f) Manufacturing Expenses | 27 | 2416.07 | - |
| (g) Shares Expenses | 28 | 1.67 | - |
| (h) Employee Benefit Expenses | 29 | 606.00 | - |
| (i) Administration Expenses | 30 | 391.28 | - |
| (j) Selling & Distribution Expenses | 31 | 149.51 | - |
| (k) Finance Costs | 32 | 9.16 | - |
| (l) Depreciation And Amortization Expenses | 33 | 195.23 | - |
| Total Expenses : | | 5734.20 | - |
| V. Profit Before Exceptional And Extraordinary Items And Tax | [III - IV] | 5958.35 | - |
| VI. Exceptional Items | | - | - |
| VII. Profit Before Extraordinary Items And Tax | [V - VI] | 5958.35 | - |
| VIII. Extraordinary Items | | - | - |
| IX. Profit Before Tax | [VII - VIII] | 5958.35 | - |
| X. Tax Expenses : | | | |
| (a) Income Tax | 34 | 1501.00 | - |
| (b) Deferred Tax | | 8.71 | - |
| XI. Profit / (Loss) From The Period From Continuing Operations | [IX - X] | 4448.64 | - |
| 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] | 4448.64 | - |
| XVI Earning per equity share : | 35 | | |
| (1) Basic | | 41.69 | - |
| (2) Diluted | | 41.69 | - |

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 & Company**
Chartered Accountant
FRN 128572W

 **B.S. Thakare**
Partner
Membership No. 127522

Place : Nagpur
Dated : 16/05/2025
UDIN : 25127522BMJAEM9779

**EMKAY TOOLS****Emkay Tools Limited****Note 1****Statement of Cash Flow**

Figures in Lakhs

| Particulars | For the year ended | |
|---|--------------------|---------------|
| | 31.03.2025 | 31.03.2024 |
| Cash Flow From Operating Activities: | | |
| Profit before tax | 5,958.35 | - |
| Adjustment for: | | |
| Depreciation & Amortisation Expenses | 195.23 | - |
| Preoperative Expenses Written off | 0.63 | - |
| Interest Paid | 9.16 | - |
| Interest Received / Other Non Operative Receipt | (10.89) | - |
| Operating Profit before Working Capital Changes | 6,152.48 | - |
| Movement in working capital | | |
| Decrease / (Increase) in inventories ((Rs. 1636.76 Lakhs) taken over due to scheme of arrangement) | (2,162.65) | - |
| Decrease / (Increase) in trade receivable ((Rs. 2367.58 Lakhs) taken over due to scheme of arrangement) | (2,862.49) | - |
| Decrease / (Increase) in short term loans & advances ((Rs. 126.37 Lakhs) taken over due to scheme of arrangement) | (368.68) | - |
| Decrease / (Increase) in other current assets | (199.89) | - |
| Increase / (Decrease) in trade payable ((Rs. 425.87 Lakhs) taken over due to scheme of arrangement) | 478.88 | - |
| Increase / (Decrease) in other current liabilities ((Rs. 577.32 Lakhs) taken over due to scheme of arrangement) | 562.36 | 0.01 |
| Increase / (Decrease) in short term provisions | 51.12 | 0.15 |
| Cash Generated from Operation | 1,651.13 | 0.16 |
| Taxes Paid (Net of Refund) | (1,375.37) | - |
| Net Cash from Operating Activities | 275.76 | 0.16 |
| Cash Flow Used In Investing Activities: | | |
| Fixed Asset Purchased ((Rs. 1146.03 Lakhs) taken over due to scheme of arrangement) | (1,629.52) | - |
| Proceeds from disposal of assets | 0.12 | - |
| Interest Received / Other Non Operative Receipt | 10.84 | - |
| Adjustment for: | | |
| Long Term Loan & Advances | (34.69) | (0.21) |
| Non Current Investments | (2,421.08) | - |
| Other Non Current Assets | 0.01 | (3.14) |
| Net Cash flow used in Investing Activities | (4,074.32) | (3.35) |
| Cash Flow From Financing Activities: | | |
| Payment on Buy Back of Share Capital | - | - |
| Proceeds from Equity Issue due to scheme of arrangement | 3,813.41 | 1.00 |
| Proceeds from Short term borrowings | 74.14 | 2.73 |
| Payment of Long term borrowings | - | - |
| Payment of Dividend and tax on it | - | - |
| Interest paid | (9.16) | - |
| Net Cash flow from Financing Activities | 3,878.39 | 3.73 |
| Net Increase / (Decrease) in Cash & Cash Equivalents | 79.83 | 0.54 |
| Cash & Cash Equivalents at the beginning of the year | 0.54 | - |
| Cash & Cash Equivalents at the end of the year | 80.37 | 0.54 |

- 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
 - The cash Flow Statement shown above has been adjusted to reflect the impact of Scheme of Demerger. This adjustment ensured that the net cash flow from all activities have been correctly accounted for and Scheme of Demerger has been followed accurately.
 - Figures in Brackets represents outflow

For **Emkay Tools Limited****Ajayprakash Kanoria**Managing Director
DIN No : 00041279Riya Agrawal
Company SecretarySumit Gaidhane
Chief Finance OfficerAs Per My Report of Even Date Attached
For **M/s P.S. Thakare & Company**
Chartered Accountant
FRN 128572WB.S. Thakare
Partner
Membership No. 127522

Place : Nagpur

Dated : 16/05/2025

UDIN : 25127522BMJAEM9779

Emkay Tools Limited
Notes Forming Part of the Financial Statements

| Note | Particulars |
|------|---|
| 2 | <p>CORPORATE INFORMATION</p> <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> |
| 2.1 | The Company is a Unlisted Public Company Limited by Shares |
| 3 | <p>SIGNIFICANT ACCOUNTING POLICIES :</p> |
| 3.1 | <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> |
| 3.2 | <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> |
| 3.3 | <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> |
| 3.4 | <p>Property, Plant and Equipment and Intangible Assets</p> <p>Property, Plant and Equipment</p> <p>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.</p> <p>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.</p> <p>An item of asset is de-recognised upon disposal or when no future economic benefits are expected to arise form 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 staement of profit and loss.</p> <p>Intangible Assets</p> <p>'Intangible assets that are acquired separately are measured on intial recognition at cost. Following intial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any.</p> |

| Note | Particulars |
|------|--|
| | <p>Depreciation and Amortisation</p> <p>'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.</p> <p>The useful lives is reviewed at least at each year end. Changes in expected useful lives are treated as change in accounting estimates.</p> <p>Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.</p> <p>Leasehold Land, if any, has been amortised over the period of lease.</p> <p>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.</p> <p>Impairment of assets</p> <p>An impairment loss is recognized wherever the carrying amount of fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.</p> |
| 3.5 | <p>Earnings per share</p> <p>Basic Earning per Share</p> <p>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.</p> <p>Diluted Earning per Share</p> <p>'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.</p> |
| 3.6 | <p>Taxes on income</p> <p>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> <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</p> <p>Current Investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term investments are carried at cost. Provision for diminution in the value of Long Term Investments is made only if; such a decline is other than temporary.</p> |
| 3.8 | <p>Inventory</p> <p>The inventories, i.e. Raw Materials, Stores and spares, Finished Goods etc. have been value at lower of cost or net realisable value. Cost of Inventories comprises of all costs of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. The cost of raw Material and Stores & Spares is</p> |

| Note | Particulars |
|--|--|
| <p>3.9</p> <p>3.10</p> <p>3.11</p> <p>3.12</p> <p>3.13</p> | <p>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> <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> <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. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.</p> <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> <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> <p>Foreign Currency Transactions The Financial Statements of the company are presented in Indian Rupees, the function currency of the company. 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> |
| <p>3.14</p> <p>3.15</p> | <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> <p>Contingent Liabilities and Commitments A Contigent 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. Contigent assets are neither recognised nor disclosed in the financial statements.</p> |

**EMKAY TOOLS****Emkay Tools Limited****Note Forming Part of Balance Sheet as on 31st March, 2025****Note 4 : SHARE CAPITAL**

Figures In Lakhs

| PARTICULARS | As on 31 st March 2025 | As on 31 st March 2024 |
|---|--------------------------------------|--------------------------------------|
| Authorised 1,25,00,000 Equity share of Rs. 1/- each | 125.00 | 125.00 |
| Issued and Subscribed 1,06,71,300 Shares of Rs. 1/- Each Fully Paid Up | 106.71 | 1.00 |
| Paid Up 1,06,71,300 Shares of Rs. 1/- Each Fully Paid Up | 106.71 | 1.00 |
| TOTAL : | 106.71 | 1.00 |

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

| | As on 31 st March 2025 | | As on 31 st March 2024 | |
|---|-----------------------------------|--------|-----------------------------------|--------|
| | No. of Share | In INR | No. of Share | In INR |
| Number of shares at the beginning of the year | 100000 | 1.00 | - | - |
| Add : Alloted during the year | | | | |
| As per Scheme of Arrangement | - | - | 100000 | 1.00 |
| On Rights Issue | - | - | - | - |
| On Bonus Issue | - | - | - | - |
| Less : Cancellation of Subscriber share | - | - | - | - |
| Number of shares at the end of the year | 10671300 | 106.71 | 100000 | 1.00 |

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.

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

| | As on 31 st March 2025 | | As on 31 st March 2024 | |
|--|-----------------------------------|-----------|-----------------------------------|-----------|
| | No. of Share | % Holding | No. of Share | % Holding |
| 1. Ajayprakash Murlidhar Kanoria (HUF) | 4353960 | 40.80% | - | - |
| 2. Alka Ajayprakash Kanoria | 1124190 | 10.53% | - | - |
| 3. Nagpur Tools Pvt. Ltd. | 1893600 | 17.74% | - | - |
| 4. Ajayprakash Murlidhar Kanoria (HUF) | 628050 | 5.89% | - | - |
| 5. Sudarshan Trading & Manufacturing Pvt. Ltd. | 1073250 | 10.06% | - | - |
| 6. Anmesh Trade & Investments | 819900 | 7.68% | - | - |
| 7. Emkay Taps & Cutting Tools Limited | - | - | 99940 | 99.94% |

4.8 Details of Share holding by Promoters in the company.

| Promoter Name | No. of Shares as on 31/03/2025 | % of total shares | % Change during the year |
|--|--------------------------------|-------------------|--------------------------|
| 1. Ajayprakash Murlidhar Kanoria (HUF) | 4353960 | 40.80% | - |
| 2. Nagpur Tools Private Limited | 1893600 | 17.74% | - |
| 3. Alka Ajayprakash Kanoria | 1124190 | 10.53% | - |
| 4. Ajayprakash Murlidhar Kanoria | 628050 | 5.89% | - |
| 5. Apoorvashree Kanoria | 1500 | 0.01% | - |
| 6. Adishree Engineering Pvt. Ltd. | 1500 | 0.01% | - |
| TOTAL | 8002800 | 74.99% | |

Note : The share Capital of the company has been adjusted in accordance with the scheme of Arrangement (Refer Note No. 45).

Note 5 : RESERVE AND SURPLUS

| Particulars | | As on 31 st March 2025 | | As on 31 st March 2024 |
|--|----------|-----------------------------------|---|-----------------------------------|
| Sicom Capital Incentive Reserve | | | | |
| Balance as per last Balance Sheet | - | | - | |
| Add : Transfer due to scheme of arrangement | 29.75 | | | |
| Add : Addition during the year - | | 29.75 | - | - |
| D.C.V.L. Subsidy | | | | |
| Balance as per last Balance Sheet | - | | - | |
| Add : Transfer due to scheme of arrangement | 9.71 | | | |
| Add : Addition during the year - | | 9.71 | - | - |
| Industrial Promotion Subsidy (From Govt. of Maharashtra under Package Scheme) " | | | | |
| Balance as per last Balance Sheet | - | | - | |
| Add : Transfer due to scheme of arrangement | 336.64 | | | |
| Add : Addition during the year | 102.77 | 439.41 | - | - |
| Profit & Loss Account | | | | |
| Balance as per last Balance Sheet | - | | - | |
| Add : Transfer due to scheme of arrangement | 3,427.07 | | | |
| Add : Cancellation of Subscriber share capital | 1.00 | | | |
| Add : Profit During the year | 4,448.64 | | | |
| Less : Transfer for Issue of Share Capital | 106.71 | 7,770.00 | | |
| Total : | | 8,248.87 | | |

Note 6 : DEFERRED TAX LIABILITIES

| Particulars | As on 31 st March, 2025 | As on 31 st March, 2024 |
|---|------------------------------------|------------------------------------|
| Liabilities arising out of Fixed Assets | | |
| Balance as per Last Balance Sheet | - | - |
| Defferred Tax Liabilities transfer due to scheme of arrangement | 10.24 | |
| Asset Created During the Year | (8.72) | 18.96 |
| Total : | | 18.96 |

**EMKAY TOOLS****Note 7 : SHORT TERM BORROWINGS**

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|--|------------------------------------|---|------------------------------------|-------------|
| ICICI Bank Ltd : | 76.87 | - | - | - |
| Cash Credit Account No. : 624251000032 (Secured Against Hypothecation of Entire Current Assets including Inventory, book debts & Receivable) | | | | |
| Emkay Taps and Cutting Tools Ltd. | | | 2.73 | 2.73 |
| Total : | 76.87 | | | 2.73 |

Note 8 : TRADE PAYABLES

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|---|------------------------------------|--------|------------------------------------|----------|
| Due to : | | | | |
| Micro and Small Enterprises | 0.49 | | - | - |
| Other Payables | 478.39 | | - | - |
| Related Party | | 478.88 | - | - |
| (Refer Note No 43 for Trade payables ageing Schedule) | | | | |
| Total : | 478.88 | | - | - |

Note 9 : OTHER CURRENT LIABILITIES

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|------------------------------|------------------------------------|---------------|------------------------------------|-------------|
| Deposits & Advances Received | 21.39 | | - | |
| Liability For Expenses | 263.02 | | 0.01 | |
| Statutory Liabilities | 273.50 | | - | |
| Other Credit Balances | 4.46 | 562.37 | - | 0.01 |
| Total : | | 562.37 | | 0.01 |

Note 10 : SHORT TERM PROVISIONS

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|-----------------------|------------------------------------|----------------|------------------------------------|-------------|
| For Employee Benefits | 31.71 | | - | - |
| For Others | 1520.56 | 1552.27 | 0.15 | 0.15 |
| Total : | | 1552.27 | | 0.15 |

Note 12**NON-CURRENT INVESTMENTS**

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|------------------------------|------------------------------------|----------------|------------------------------------|----------|
| a) In Mutual Funds | 1989.90 | | - | - |
| b) In Quoted Equity Shares | 426.94 | | - | - |
| c) In Fixed Deposit Receipts | 4.24 | 2421.08 | - | - |
| Total : | | 2421.08 | | - |

Note : No diminution in value, if any, has been ascertained in case of Mutual Funds/Quoted Equity Shares/Unquoted Equity Shares held by the Company and have been recorded in the books at the Cost of Purchase by the Management.

Note 12
PROPERTY, PLANT & EQUIPMENT

| PARTICULARS | RATE OF DEP. | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | |
|-----------------------------------|--------------|-----------------------------------|--|--------------------------|--------------------------------|--------------------------|-----------------------------------|--|------------------------------|-----------------------|--------------------------|--------------------------|
| | | BALANCE TRANSFER AS ON 01-04-2024 | ASSETS TAKEN OVER DUE TO SCHEME OF ARRANGEMENT | ADDITION DURING THE YEAR | SALE/ TRANSFER DURING THE YEAR | BALANCE AS ON 31-03-2025 | BALANCE TRANSFER AS ON 01-04-2024 | ACCUMULATED DEPRECIATION TAKEN OVER DUE TO SCHEME OF ARRANGEMENT | DEPRECIATION DURING THE YEAR | DEPRECIATION REVERSED | BALANCE AS ON 31-03-2025 | BALANCE AS ON 31-03-2024 |
| Land No. 1 | 0.00% | - | 13.50 | - | - | 13.50 | - | - | - | - | 13.50 | - |
| Land No. 2 | 0.00% | - | 7.67 | - | - | 7.67 | - | - | - | - | 7.67 | - |
| Building No. 1 | 9.50% | - | 331.06 | 1.50 | - | 332.56 | - | 172.51 | 15.13 | - | 187.64 | 144.92 |
| Building No. 2 | 9.50% | - | 38.34 | - | - | 38.34 | - | 30.87 | 0.71 | - | 31.58 | 6.76 |
| Furniture & Fixture | 25.89% | - | 52.43 | - | - | 52.43 | - | 38.80 | 3.32 | - | 42.12 | 10.31 |
| Mobile Phone | 63.16% | - | 2.87 | 1.13 | - | 4.00 | - | 2.59 | 0.74 | - | 3.33 | 0.67 |
| Office Equipments | 45.07% | - | 30.43 | 1.43 | - | 31.86 | - | 26.63 | 1.73 | - | 28.36 | 3.50 |
| Plant & Machinery | 18.10% | - | 3,172.64 | 440.32 | - | 3,612.96 | - | 2,387.20 | 142.74 | - | 2,529.94 | 1,083.02 |
| Generator | 18.10% | - | 8.97 | - | - | 8.97 | - | 8.52 | - | - | 8.52 | 0.45 |
| Compressors | 18.10% | - | 35.18 | 7.75 | - | 42.93 | - | 23.40 | 2.80 | - | 26.20 | 16.73 |
| Transformers | 18.10% | - | 9.93 | - | - | 9.93 | - | 6.69 | 0.58 | - | 7.27 | 2.66 |
| Transport Trolleys | 18.10% | - | 0.62 | - | - | 0.62 | - | 0.50 | 0.02 | - | 0.52 | 0.10 |
| Coolant Tower (L-6) | 18.10% | - | 8.12 | - | - | 8.12 | - | 5.13 | 0.54 | - | 5.67 | 2.45 |
| Coolant Tower (B-27) | 18.10% | - | 9.94 | - | - | 9.94 | - | 4.33 | 1.02 | - | 5.35 | 4.59 |
| Air Conditioners | 18.10% | - | 26.06 | 8.43 | - | 34.49 | - | 20.21 | 1.27 | - | 21.48 | 13.01 |
| Elevator (Lift) | 18.10% | - | 6.74 | 3.34 | - | 10.08 | - | 3.94 | 0.83 | - | 4.77 | 5.31 |
| Computers | 63.16% | - | 48.37 | 2.62 | - | 50.99 | - | 42.16 | 3.36 | - | 45.52 | 5.47 |
| Computer Software | 63.16% | - | 6.00 | 4.31 | - | 10.31 | - | 5.70 | 0.09 | - | 5.79 | 4.52 |
| Inspection Equipments | 18.10% | - | 52.51 | 11.50 | - | 64.01 | - | 38.11 | 3.52 | - | 41.63 | 22.38 |
| Electricals Installations | 25.89% | - | 35.66 | - | - | 35.66 | - | 30.35 | 1.18 | - | 31.53 | 4.13 |
| Pollution Control Equipment | 18.10% | - | 12.50 | - | - | 12.50 | - | 10.55 | 0.29 | - | 10.84 | 1.66 |
| Motor Car | 31.23% | - | 127.02 | - | - | 127.02 | - | 94.85 | 9.29 | - | 104.14 | 22.88 |
| Loader E-Cart (Electric Rickshaw) | 31.23% | - | 1.18 | - | - | 1.18 | - | 0.98 | 0.06 | - | 1.04 | 0.14 |
| Motor Cycle | 25.89% | - | 2.52 | 1.16 | 0.58 | 3.10 | - | 1.79 | 0.41 | 0.52 | 1.68 | 1.42 |
| Fire Safety Equipment | 18.10% | - | 10.37 | - | - | 10.37 | - | 4.81 | 1.01 | - | 5.82 | 4.55 |
| Solar Plant | 8.20% | - | 72.49 | - | - | 72.49 | - | 16.47 | 4.59 | - | 21.06 | 51.43 |
| TOTAL: | | - | 4,123.12 | 483.49 | 0.58 | 4,606.03 | - | 2,977.09 | 195.23 | 0.52 | 3,171.80 | 1,434.23 |

Note 13
LONG TERM LOANS AND ADVANCES

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

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|--|------------------------------------|--------------|------------------------------------|-------------|
| a) Capital Advances (Unsecured and considered good) | - | - | - | - |
| b) Security Deposits | 34.90 | | 0.21 | |
| c) Other Loans & Advances | - | 34.90 | - | 0.21 |
| TOTAL : | | 34.90 | | 0.21 |

Note 14
OTHER NON CURRENT ASSETS

(Miscellaneous Expenses to the extent not written off)

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|--------------------------|------------------------------------|-------------|------------------------------------|-------------|
| a) Preoperative Expenses | | 2.51 | | 3.14 |
| TOTAL : | | 2.51 | | 3.14 |

Note 15
INVENTORIES

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

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|--|------------------------------------|----------------|------------------------------------|----------|
| Raw Material | 848.61 | | - | |
| Consumable Stores | 21.70 | | - | |
| Work In Progress | 264.92 | | - | |
| Finished Goods | 1013.12 | | - | |
| Trading Goods | 11.86 | | - | |
| Scrap Material (At Estimated Realisable Value) | 2.44 | 2162.65 | - | - |
| TOTAL : | | 2162.65 | | - |

Note 16
TRADE RECEIVABLES

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|---|------------------------------------|----------------|------------------------------------|----------|
| a) Secured & Considered Good | - | | - | - |
| b) Unsecured & Considered Good | 2862.49 | | - | - |
| c) Considered Doubtful | - | 2862.49 | | |
| (Refer Note No. 43 for Trade Receivables ageing Schedule) | | | | |
| TOTAL : | | 2862.49 | | - |

Note 17
CASH AND CASH EQUIVALENTS

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|---|------------------------------------|--------------|------------------------------------|-------------|
| Cash in Hand (As certified by the Management) | 6.32 | | - | |
| Balances with Bank | 74.05 | 80.37 | 0.54 | 0.54 |
| TOTAL : | | 80.37 | | 0.54 |

Note 18
SHORT TERM LOANS AND ADVANCES

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|-----------------------------|------------------------------------|---------------|------------------------------------|----------|
| Advances with the Suppliers | 347.02 | | - | - |
| Loans & Advances to Staff | 12.67 | | - | - |
| Other Advances | 8.99 | 368.68 | - | - |
| TOTAL : | | 368.68 | | - |

Note 19

OTHER CURRENT ASSETS

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|-----------------------------------|------------------------------------|---------|------------------------------------|---|
| Advances with Revenue Authorities | 1648.88 | | - | - |
| Other Debit Balances | 29.14 | 1678.02 | - | - |
| TOTAL : | | 1678.02 | | - |

Note 20

REVENUE FROM OPERATIONS

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|-------------------------------|------------------------------------|----------|------------------------------------|---|
| 1. Domestic Sale | | | | |
| Sale of Taps & Tools | | | | |
| a) Sales | 12,911.51 | | - | |
| b) Deemed Export Sales (SEZ) | 24.35 | | - | |
| Total:- | 12,935.86 | | - | |
| Less : CGST Receipts | 357.92 | | - | |
| : SGST Receipts | 357.92 | | - | |
| : IGST Receipts | 1,252.89 | | - | |
| : Discount & Rate Difference | 204.05 | | - | |
| : Sales Return | 40.86 | | - | |
| : T.C.S. Receipts | 5.42 | 10716.80 | - | |
| 2. Export Sale | | | | |
| a) Sale of Taps & Tools | 897.66 | 897.66 | - | |
| 3. Trading Sale | | | | |
| a) Trading Sale | 5.98 | | - | |
| Less : CGST, SGST, IGST & TCS | 0.91 | | - | |
| Less : Sales Return | 0.12 | 4.95 | - | |
| 4. Scrap Sale | | | | |
| a) Scrap Sale | 42.34 | | - | |
| Less : CGST, SGST, IGST & TCS | 6.76 | 35.58 | - | |
| TOTAL : | | 11654.99 | - | - |

Note 21

OTHER INCOME

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|---------------------------------|------------------------------------|-------|------------------------------------|--|
| Duty Draw Back Receipts | | 15.21 | | |
| Rodtep Duty Receipts | | 10.25 | | |
| Exchange Rate Fluctuation | | 5.00 | | |
| F.D.R. Interest Received | | 0.25 | | |
| Interest Received | | 1.84 | | |
| Sales Tax Refund Received | | 0.17 | | |
| Excess provision of stipend | | 1.04 | | |
| Profit on Sale of Motor Vehicle | | 0.05 | | |
| Short Term Capital Gain | 4.65 | | | |
| Less : Short Term Capital Loss | 0.90 | 3.75 | | |
| TOTAL | | 37.56 | | |

Note 22

CHANGES IN INVENTORY

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|-------------------------------------|------------------------------------|-----------------|------------------------------------|--|
| 1. Finished Goods : | | | | |
| Opening stock | - | | | |
| Add : Finished Goods stock transfer | 908.12 | | | |
| Less : Closing stock | 1,013.12 | (105.00) | | |
| 2. Work-In-Progress : | | | | |
| Opening stock | - | | | |
| Add : WIP Goods stock transfer | 107.52 | | | |
| Less : Closing stock | 264.92 | (157.40) | | |
| 3. Scrap Material : | | | | |
| Opening stock | - | | | |
| Add : Scrap Material Stock transfer | 2.48 | | | |
| Add : Purchase of Scrap | - | | | |
| | 2.48 | | | |
| Less : Closing stock | 2.44 | 0.04 | | |
| TOTAL : | | (262.36) | | |

Note 23

COST OF RAW MATERIAL CONSUMED

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|--------------------------------------|------------------------------------|-----------------|------------------------------------|--|
| Opening Stock | - | | - | |
| Add : Raw Material Stock transfer | 579.10 | | - | |
| Add : Purchase of Raw Material | 2,119.02 | | - | |
| Add : Purchase of HSS Taps | 27.32 | | - | |
| | 2,725.44 | | - | |
| Less : Closing Stock of Raw Material | 848.61 | 1,876.83 | - | |
| TOTAL : | | 1,876.83 | | |

Note 24

COST OF STORES CONSUMED

| Particulars | As on 31 st March, 2024 | | As on 31 st March, 2023 | |
|---|------------------------------------|---------------|------------------------------------|--|
| Opening Stock | - | | | |
| Add : Consumable Store Stock transfer | 27.03 | | | |
| Add : Purchase of Consumable Stores | 222.44 | | | |
| Less : Closing stock of Consumable Stores | 21.70 | 227.77 | | |
| TOTAL : | | 227.77 | | |

Note 25

COST OF PACKING MATERIAL CONSUMED :

| Particulars | As on 31 st March, 2025 | | As on 31 st March, 2024 | |
|----------------|------------------------------------|---------------|------------------------------------|----------|
| Purchases | | 116.94 | | - |
| TOTAL : | | 116.94 | | - |

Note 26

COST OF TRADING GOODS CONSUMED

| Particulars | As on 31 st March, 2025 | As on 31 st March, 2024 |
|---------------------------------------|------------------------------------|------------------------------------|
| Opening Stock | - | - |
| Add : Trading Goods Stock transfer | 12.51 | |
| Add : Purchase of Trading Goods | 5.45 | |
| Less : Closing stock of Trading Goods | 11.86 | 6.10 |
| TOTAL : | | 6.10 |

Note 27

MANUFACTURING EXPENSES :

| Particulars | As on 31 st March, 2025 | As on 31 st March, 2024 |
|-------------------------|------------------------------------|------------------------------------|
| Building Repairs | 16.73 | - |
| Electricity Charges | 212.81 | - |
| Freight & Octroi | 8.32 | - |
| Job Work Expenses | 2051.84 | - |
| Repairs and Maintenance | 124.14 | - |
| Testing Expenses | 0.12 | - |
| Water Charges | 2.11 | - |
| TOTAL : | 2416.07 | |

Note 28

SHARES EXPENSES :

| Particulars | As on 31 st March, 2025 | As on 31 st March, 2024 |
|--------------------------|------------------------------------|------------------------------------|
| Security Transaction Tax | 1.12 | |
| Stamping Charges | 0.24 | |
| Transaction Charges | 0.04 | |
| Share Expenses | - | |
| SEBI Tax | - | |
| SGST & CGST on Shares | 0.27 | |
| IPFT Expenses | - | |
| TOTAL : | 1.67 | |

Note 29

EMPLOYEE BENEFIT EXPENSES :

| Particulars | As on 31 st March, 2025 | As on 31 st March, 2024 |
|------------------|------------------------------------|------------------------------------|
| Bonus | 26.07 | |
| E. S. I. C. | 0.77 | |
| Exgratia | 20.17 | |
| Gratuity | 6.16 | |
| Incentive A/c. | 105.62 | |
| Labour Welfare | 15.45 | |
| Leave with Wages | 2.19 | |
| Medical Expenses | 0.71 | |
| Provident Fund | 16.06 | |
| Salary and Wages | 412.80 | |
| TOTAL : | 606.00 | |



Note 30

ADMINISTRATION EXPENSES :

| Particulars | As on 31 st March, 2025 | As on 31 st March, 2024 |
|-------------------------------------|------------------------------------|------------------------------------|
| Profession Tax | 0.05 | |
| Bank Charges | 5.73 | |
| Books and Periodicals | 0.04 | |
| Car Expenses | 6.55 | |
| Computer Software Expenses | 5.91 | |
| Conveyance Expenses | 21.16 | |
| Consultancy Fees | 3.85 | |
| Director Travelling Expenses | 24.60 | |
| Donation | 0.18 | |
| Insurance | 10.86 | |
| Interest on Service Tax, GST & TDS | 0.36 | |
| Internet / Website Expenses | 3.37 | |
| Legal and Professional Expenses | 9.73 | |
| Licence Fees | 0.15 | |
| Listing Expenses | 4.00 | |
| Loss on Sale of Rodtep Duty Licence | 0.19 | |
| Membership Fees and Subscription | 2.85 | |
| Office Expenses | 7.53 | |
| Preoperative Expenses Written Off | 0.63 | |
| Postage & Telegram Expenses | 2.74 | |
| Printing and Stationery | 9.02 | |
| Rent, Rates and Taxes | 6.71 | |
| Security Service Charges | 8.27 | |
| Sundry Balances W/Off | 14.00 | |
| Telephone Expenses | 2.91 | |
| Traveling Expenses | 23.41 | 174.80 |
| Payment to Directors | | |
| - For Remuneration | 178.75 | |
| - For Salary | 36.00 | |
| - For Sitting Fees | 0.73 | 215.48 |
| Payment to Auditors | | |
| - For Audit | 1.00 | |
| - For Taxation | - | |
| - For Consultancy & Others | - | 1.00 |
| TOTAL : | 391.28 | |

Note 31

SELLING AND DISTRIBUTION EXPENSES :

| Particulars | As on 31 st March, 2025 | As on 31 st March, 2024 |
|---------------------------------------|------------------------------------|------------------------------------|
| Advertisement | 22.04 | |
| Carriage Outward | 67.09 | |
| Commission on Sales | 31.91 | |
| Entertainment Expenses | 0.90 | |
| Hospitality Expenses | 0.63 | |
| Sales Promotion | 8.56 | |
| Sales Promotion & Consultancy Charges | 18.38 | |
| TOTAL : | 149.51 | |

Note 32

FINANCE COST :

| Particulars | As on 31 st March, 2025 | As on 31 st March, 2024 |
|-----------------------|------------------------------------|------------------------------------|
| Bank Interest | 8.94 | - |
| Interest on Term Loan | 0.22 | - |
| TOTAL : | 9.16 | |

Note 33

DEPRECIATION & AMORTISATION EXPENSES :

| Particulars | As on 31 st March, 2025 | As on 31 st March, 2024 |
|------------------------------|------------------------------------|------------------------------------|
| Depreciation for the Year | 195.23 | - |
| Less:- Depreciation reversed | - | 195.23 |
| TOTAL : | 195.23 | |

Note 34

INCOME TAX EXPENSES :

| Particulars | As on 31 st March, 2025 | As on 31 st March, 2024 |
|--|------------------------------------|------------------------------------|
| Current Year Income Tax Provision | 1,501.00 | - |
| Add : Tax for Earlier Year | - | - |
| : Short Provision of Income Tax of Earlier Year | - | - |
| Less : Excess provision of income Tax Earlier Year | - | - |
| TOTAL : | 1501.00 | |

Note 35

EARNING PER SHARE

| Particulars | As on 31 st March, 2025 | As on 31 st March, 2024 |
|---------------------------------------|------------------------------------|------------------------------------|
| (A) Profit for the Year | 4448.64 | - |
| (B) Weighted Average Number of Shares | 10671300 | - |
| Basic Earning Per Share (In Rs.) | 41.69 | - |
| Diluted Earning per Share (In Rs.) | 41.69 | - |



| Particulars | As on 31 st March, 2025 | | | As on 31 st March, 2024 | | |
|---|------------------------------------|-------------|-----------------|------------------------------------|----------|----------|
| | TOOLS | OTHERS | TOTAL | TOOLS | OTHERS | TOTAL |
| Revenues | | | | | | |
| Sales to External Customers | 11,688.80 | 3.75 | 11,692.55 | - | - | - |
| Total Segmental Revenues | 11,688.80 | 3.75 | 11,692.55 | - | - | - |
| Segmental Result | | | | | | |
| Profit before Interest (net of allocated corporate expenses) | 5,965.49 | 2.02 | 5,967.51 | - | - | - |
| Less: unallocated corporate expenses (Net of Other Income) | | | | | | |
| Operating Profit | 5,965.49 | 2.02 | 5,967.51 | - | - | - |
| Interest (net of income) | 9.16 | | 9.16 | - | - | - |
| Profit before Tax | 5,956.33 | 2.02 | 5,958.35 | - | - | - |
| Provision for Tax | | | | | | |
| - Current Tax | 1,500.54 | 0.46 | 1,501.00 | - | - | - |
| - Deferred Tax | 8.71 | | 8.71 | | | |
| Profit from Ordinary Activities | 4,447.08 | 1.56 | 4,448.64 | - | - | - |
| Extraordinary Items | | | | | | |
| Net Profit | 4,447.08 | 1.56 | 4,448.64 | - | - | - |
| Particulars | As on 31 st March, 2025 | | | As on 31 st March, 2024 | | |
| | TOOLS | OTHERS | TOTAL | TOOLS | OTHERS | TOTAL |
| Other Information | | | | | | |
| Segmental Assets | 8,624.46 | 2,420.47 | 11,044.93 | - | - | - |
| Unallocated Corporate Assets | | | | | | |
| Total Assets | 8,624.46 | 2,420.47 | 11,044.93 | - | - | - |
| Segmental Liabilities | 1,169.34 | 0.05 | 1,169.39 | - | - | - |
| Unallocated Corporate Liabilities | | | | | | |
| Total Liabilities | 1,169.34 | 0.05 | 1,169.39 | - | - | - |
| Capital Expenditure during the year (Including Movement in CWIP) | 483.49 | - | 483.49 | - | - | - |
| Depreciation & Amortisation Exps. | 195.23 | - | 195.23 | - | - | - |

Notes :

- The above Financials results have been arrived at after going through the Balance Sheet and Profit & Loss Account for the Company for the year ending on 31st March, 2025
- This segment report of M/s Emkay Tools Ltd. is prepared in accordance to the Accounting Standard 17 - "Segment Reporting"
- For the purpose of this reporting, Business Segment are considered as primary segments. Since the Company is operating from single location. There are no Geographical segments for the company. However, based on Business Line, there are 2 segments, viz., Manufacturing of Tools and Investment Activities
- The measurement principles for segment reporting are based on Accounting Standards adopted in the consolidated financial statements. Segments's performance is evaluated based on segment revenue and profit or loss from operating activities, i.e., segment results.
- Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment. Finance Income earned and finance expense incurred is not allocated to individual segment and the same has been reflected at the Group Level for segment reporting. Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period the change occurs. Segment information prior to the change in terms is not restated. These transactions have been eliminated on consolidation. The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial instruments, deferred tax assets and income tax recoverable.
- Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial instruments.
- Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

Note 37
EMPLOYEE COSTS

| Particulars | As on 31 st March 2025 | As on 31 st March 2024 |
|---|--------------------------------------|--------------------------------------|
| Salary Allowances & Others | 583 | - |
| Defined contribution plan | 17 | - |
| Defined benefit plan/other long term benefits | 6 | - |
| Share based compensation | - | - |
| Total | 606 | - |

Note 38
INCOME TAXES

The major components of the Income Tax Expenses are Follows :

| Particulars | As on 31 st March 2025 | As on 31 st March 2024 |
|---|--------------------------------------|--------------------------------------|
| <u>Current Income Tax</u> | | |
| in India | 1501 | - |
| Overseas | - | - |
| Deferred Tax | | |
| Relating to origination and reversal of temporary differences | 9 | - |
| Relating to changes in tax rates | - | - |
| Tax expense attributable to current year's profit (A) :- | 1510 | - |
| Adjustments in respect of income tax of previous year : | | |
| Current income tax | | |
| in India | - | - |
| Overseas | - | - |
| Total (B) :- | - | - |
| Total (A+B) :- | 1,510 | - |

The company during the Period has earned a profit of Rs. 5958.35 Lakhs, A provision of Rs. 1501.00 Lakhs for Income Tax as required by Income Tax Act, 1961 has been made in the Books of Account.

Note 39
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 40
RELATED PARTY TRANSACTIONS

Related Party transactions represent transactions entered into by the Group with entities having significant influence over the Group ('significant influence entities'), associates, joint ventures and other related parties. The transactions and balances with the related parties for the year ended March 31st, 2025 and Year ended March 31st, 2024, respectively are described below :

RELATED PARTY DISCLOSURE

A. Key Management Persons :
 Mr. Ajayprakash Kanoria
 Mrs. Alka Kanoria
 Mr. Sumit Gaidhane
 Mrs. Riya Sarang Agrawal

B. Relatives of Key Management Persons :
 Apoorvashree Kanoria
 Anandita Kanoria.

C. Related Parties
 Emkay Taps & Cutting Tools Ltd.
 Nagpur Tools Pvt. Ltd.
 Adishree Engineering Pvt. Ltd.

Summary of Transactions with Above Parties :

| Particulars | As on 31 st March 2025 | As on 31 st March 2024 |
|---|---|---|
| a. Transactions for the period | | |
| Nagpur Tools Pvt. Ltd.:- | | |
| Job Work Expenses (Gross Including Taxes) | 1293.49 | - |
| Adishree Engineering Pvt. Ltd. | | |
| Job Work Expenses (Gross Including Taxes) | 96.28 | - |
| Emkay Taps & Cutting Tools Ltd. :- | | |
| Loan Taken | - | 2.73 |
| Sales | 414.81 | |
| Closing Balance | As on 31st March 2025 | As on 31st March 2024 |
| Due from | | |
| Emkay Taps and Cutting Tools Limited | 25.95 | - |
| Due to:- | | |
| Ajayprakash Kanoria | 119.87 | - |

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

Remuneration to key management personnel were as follows :

| Particulars | As on 31 st March 2025 | As on 31 st March 2024 |
|------------------------|--------------------------------------|--------------------------------------|
| 1) Ajayprakash Kanoria | | |
| Salary | 36.00 | - |
| Remuneration | 178.75 | - |
| 2) Sumit Gaidhane | | |
| Salary | 6.37 | - |
| 3) Riya Sarang Agrawal | | |
| Salary | 219 | - |
| - | | |
| Total | 223.31 | - |

Note 41

CONTINGENCIES

| Particulars | Year Ended March 31 st , 2025 | Year Ended March 31 st , 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 42
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 | - | 0.49 | - | - | 0.49 |
| (ii) Others | 478.18 | 0.21 | - | - | 478.39 |
| (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 | 2,839.33 | 00.84 | 4.80 | 13.20 | 4.32 | 2,862.49 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - |

Note : The above analysis has been put forth after taking into consideration the date of receivable/payables outstanding in the Demerged Company i.e. M/s Emkay Taps and Cutting Tools Limited. (Refer Note No. 45)

Note 43
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 has a Cash Credit facility availed from ICICI Bank & during the period under reporting.

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

vi) Ratios

| Particulars | As on March 31 st , 2025 | As on March 31 st , 2024 | % Change in Ratio |
|--------------------------------|--|--|----------------------|
| 1. Current Ratio | 2.678 | - | NA |
| 2. Debt - Equity Ratio | 0.320 | - | NA |
| 3. Debt Service Coverage Ratio | 0.35% | - | NA |
| 4. Return on Equity Ratio | 53.24% | - | NA |
| 5. Inventory Turnover Ratio | 10.78 | - | NA |
| 6. Net Capital Turnover Ratio | 5.20 | - | NA |
| 7. Net profit Ratio | 38.17% | - | NA |
| 8. Return on Capital Employed | 71.26% | - | NA |

The comparative chart of ratios shown above based on the financial statement are not comparable as the Scheme of Arrangement between Emkay Taps and Cutting Tolls Limited and Emkay Tools Limited has been effected during the period under reporting which has caused such impact.

vii) Undisclosed Income

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

Note 44

EXPENDITURE IN RELATION TO CSR EXPENDITURE

As per Sec 135 of the Companies Act, 2013, the Company has taken over the Tools business of Emkap Taps and Cutting Tools Limited as per the Scheme of Arrangement approved by NCLT having appointed date as 01/04/2024. Therefore during the period under reporting, the company is not required to undertake expenditure in respect of Corporate Social Responsibility (CSR). Nil

Note 45

SCHEME OF ARRANGEMENT

The Board of Directors of Emkay Taps and Cutting Tools Limited ("ETCTL or Demerged Company") and Emkay Tools Limited ("ETL or Resultant Company") in their respective meetings dated 29/06/2023 approved the Composite Scheme of Arrangement ("Scheme") between ETCTL and ETL as well as their respective shareholders, in accordance with Section 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions and rules. The Scheme entails the demerger of the 'Tools Business' from ETCTL into ETL, with an appointed date of 01/04/2024.

The Honourable National Company Law Tribunal ("NCLT") of the Mumbai Bench approved the scheme of Demerger via Order No. C.P.(CAA) 122(MB) 2024 dated 28/10/2024. The certified true copy of the order was received on 12/11/2024 and filed with Registrar of Company on 19/11/2024. The Scheme becomes effective / operative from the effective date of 19/11/2024, with this, the Tools Business of ETCTL being transferred to and vested in ETL with effect from the appointed date i.e., 01/04/2024.

Upon operation of the Scheme, the existing share capital of ETL, amounting to Rs. 1.00 Lakhs divided into 1,00,000 shares of Rs. 1 each, fully paid up, held by the Demerged Company, prior to the Scheme becoming effective, shall stand cancelled without any further application, act, instrument, or deed, as an integral part of this Scheme, with adjustments done through Capital Reserve of the Company. As per the Scheme, the Resulting Company has issued one fully paid up equity shares of Rs. 1 each for every one fully paid up equity share of Rs. 10 each held by the equity shareholders of the Demerged Company (ETCTL). Accordingly the Paid up capital of ETL is determined as Rs. 1,06.71 lakhs comprising of 1,06,71,300 shares of Rs. 1 each.

The record date for allotment was fixed as 04/12/2024 and the issuance and allotment of equity shares took place on 05/12/2024.

From the appointed date, the Tools Business of ETCTL, including all assets and liabilities is transferred and vested to ETL in accordance with the Scheme. Consequently, the Deferred Tax Liability related to those assets and liabilities has been remeasured and has resulted in a charge of Rs. 10.24 Lakhs to the opening balance of retained earnings of ETL. Further, any incremental deferred tax liability from the period from 1st April 2024 to 31st March 2025 has been debited to Profit and Loss Account.

The value of Assets acquired and Liabilities taken over under the Scheme is as follows :

| Particulars | Value |
|------------------------------------|----------------|
| Assets | |
| I. Non Current Assets | |
| i. Property, Plant and Equipment | 1146.03 |
| ii. Fixed Deposits | 4.01 |
| iii. Long Term Loans and Advances | 31.65 |
| II. Current Assets | |
| i. Inventories | 1636.76 |
| ii. Trade Receivables | 2367.58 |
| iii. Cash and Cash Equivalents | 11.75 |
| iv. Short term Loan and Advances | 126.37 |
| v. Other Current Assets | 185.45 |
| Total of Assets | 5509.60 |
| Liability | |
| I. Non Current Liabilities | |
| i. Capital Reserves | 376.10 |
| ii. Deffered Tax Liabilities (Net) | 10.24 |
| II. Current Liabilities | |
| i. Short Term Borrowings | 648.28 |
| ii. Trade Payables | 425.87 |
| iii. Other Current Liabilities | 577.32 |
| iv. Short Term Provisions | 44.71 |
| Total of Liabilities | 2082.53 |
| Net Worth | 3427.07 |

Note 46

PREVIOUS YEAR FIGURES

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

For **Emkay Tools Limited**

 **Ajayprakash Kanoria**
Managing Director
DIN No : 00041279

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

 **Riya Agrawal**
Company Secretary

 **Sumit Gaidhane**
Chief Finance Officer

 **B.S. Thakare**
Partner
Membership No. 127522

Place : Nagpur
Dated : 16/05/2025
UDIN : 25127522BMJAEM9779



EMKAY TOOLS

**Second Annual General Meeting
Attendance Slip**

EMKAY TOOLS LIMITED

CIN: L25939MH2023PLC401627

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

Tel Ph.: 9272090765; Email: investors@emkaytoolsltd.com

DP ID _____

Client ID _____

Registered Folio No.: _____

No. of Shares: _____

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

I certify that I am a shareholder / proxy of the shareholder of the Company. I/We hereby record my/our presence at the 29th Annual General Meeting of the Company being held on Wednesday, 4th September , 2024 at 11.30 a.m. at B-27 7 B-27/1 M.I.D.C. Hingna, Industrial Estate at Nagpur-440016.

Signature of Shareholder/Proxy

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



EMKAY TOOLS

Second Annual General Meeting

FORM NO. MGT-11

PROXY FORM

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

CIN : L25939MH2023PLC401627
Name of the company : **EMKAY TOOLS LIMITED**
Registered office : B-27 7 B-27/1 M.I.D.C. Hingna,
Industrial Estate, Nagpur-440016.
Tel. No. +91-9272090765
www.emkaytoolsltd.com

Name of the Member(s): _____

Registered Address : _____

Email id : _____

Folio No/Client Id : _____

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

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

or failing him/her

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

or failing him/her

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Second Annual General Meeting of the Company being held on Monday, September 15, 2025 at 11:30 a.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below :

ORDINARY BUSINESS:

To consider passing the following resolution(s) as an ordinary resolution

- i) To Consider and adopt the Audited financial statement of the Company for the year ended on March 31, 2025 together with the report of Board of Directors and Auditors thereon."
- ii) To consider re-appointment of Mrs. Alka Kanoria (DIN: 00041346), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment
- iii) To declare final dividend for the financial year 2024-25 @ Rs. 2.50/- per Equity Shares of Face Value of Rs. 1/- each.

SPECIAL BUSINESS:

- iv) To appoint, P. Surbhi & Associates as a Secretarial Auditor.
- v) To consent and approve Related party Transactions with Nagpur Tool Private Limited.

Signed this _____ day of _____ 2024

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

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

Advanced Technolgy



Inspection and Quality Check



Storage of products



Administrative



MAP FOR AGM VENUE



EMKAY TAPS AND CUTTING TOOLS LTD.

Landmark:

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



EMKAY TOOLS

EMKAY TOOLS LIMITED

:: Factory Premises & Registered Office:

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