



EMKAY TOOLS LTD

Emkay Tools Limited

Annual Report 2026



Precision
Engineering



Quality
Assurance



Innovation
Driven

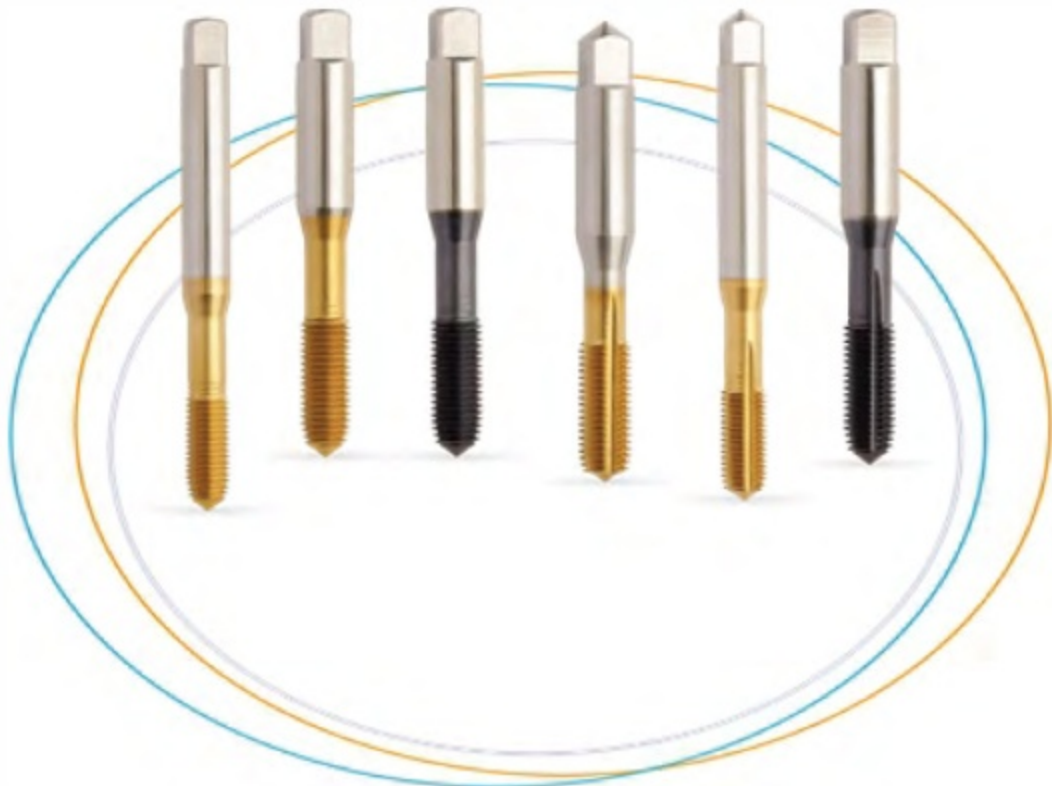


Growth
Focused



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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.

HDFC Bank Ltd

Kotak Mahindra Bank

Committees*

Audit Committee

Nomination & Remuneration Committee

Stakeholders Relationship Committee

CSR Committee

Management Committee

Stock Exchange

National Stock Exchange

"SME EMERGE"

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

To,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

Series: ST
Symbol: **ETL**

SUBJECT: Third Annual General Meeting Schedule

Company Name	EMKAY TOOLS LIMITED
Cut-off date for identifying shareholders entitled, to receive copy of Annual Report along with Notice of Third AGM	August 31 2026
Cut-off date for completion of dispatch of Third AGM notice	September 01, 2026
Book Closure Date for Third AGM	*From: September 12, 2026 * To: September 25, 2026
AGM Date	September 25, 2026 AGM Time :11.00 AM
E-voting Agency	-NA-
Type	*AGM * Financial Year : 2025-26
Laptop Require	☐ Yes ☒ No
Staff Require For AGM	☐ Yes ☒ No
Address	Plot No. B-27 & B-27/1, M.I.D.C. Hingna, Industrial Estate,
City	Nagpur * Pin code -440016
State	Maharashtra
Country	India

Copy To :
Bigshare Services Pvt. Ltd., Registrar and Transfer Agent: shwetash@bigshareonline.com,
jibu@bigshareonline.com;

NOTICE OF THIRD ANNUAL GENERAL MEETING

Dear Member(s),

Notice is hereby given that the Third Annual General Meeting of the Members of Emkay Tools Limited is scheduled to be held on Friday, September 25, 2026 at 11.00 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

- "To Consider and adopt the Audited financial statement of the Company for the year ended on March 31, 2026 together with the report of Board of Directors and Auditors thereon.
- To consider re-appointment of Mrs. Ajayprakash Kanoria (DIN: 00041279), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible and offers himself 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.
- To declare final dividend for the financial year 2025-26 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. 3.00/- 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 2025-26."

SPECIAL BUSINESS :

- 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. 20 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**

 **Riya Agrawal**
Company Secretary & Compliance Officer

Nagpur,
Monday
August 31, 2026

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 12, 2026 to Friday, September 25, 2026 (both days inclusive).
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents Bigshare Services Pvt. Ltd. to provide efficient and better services.
7. To support the 'Green Initiative' and pursuant to MCA and SEBI circular the Notice of the AGM along with the Annual Report 2025-26 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 2025-26 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 THIRD AGM ARE AS UNDER:
 - i) Members / shareholders, who will be present in the Third 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 Third AGM.
11. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company, being an SME-listed company covered under Chapter IX of the SEBI (ICDR) Regulations, 2018, is exempt from providing the facility of remote e-voting. Further, Regulation 44(2) of the SEBI (LODR) Regulations, 2015 requires e-voting to be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014. Accordingly, remote e-voting is not applicable to the Company for this AGM. Members shall exercise their voting rights at the AGM through the voting

mechanism provided by the Company in accordance with the applicable provisions of the Companies Act, 2013.

12. The Company is listed on the SME Platform and, accordingly, the corporate governance provisions specified under Regulation 15(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company. Accordingly, the provisions of Regulations 17 to 27, specified clauses of Regulation 46 and Para C, D and E of Schedule V of the SEBI LODR Regulations are not applicable to the Company. The exemption is applicable to entities whose specified securities are listed on an SME Exchange. However, the applicable provisions of the Companies Act, 2013 and other applicable laws continue to apply to the Company.
13. Map for Third 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 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. 20 Crores per annum.

Accordingly, approval of members is sought for passing the Ordinary Resolution as set out in Item No. 4 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 recommends the resolution as set out at Item No. 4 for approval of the members.

DIRECTOR'S REPORT

Dear Shareholders,

The Board of Directors is pleased to present the Third Annual Report for the financial year 2025-26, together with the Standalone Audited Financial Statements for the year ended on March 31, 2026.

Financial Highlights:

Amount in LAKHS (INR)

Particulars	Standalone	
	F.Y. 2026*	F.Y. 2025
Total Revenue from Operations	14437.40	11654.99
Other Income	178.49	37.56
Total Expenditure (excl. depreciation, interest and tax)	6394.69	5529.81
Profit before depreciation, interest and tax	8221.20	6162.74
Less: Interest	0.74	9.16
Less: Depreciation and amortization expense	285.38	195.23
Profit before tax	7935.08	5958.35
Less: Net tax expense	2063.40	1509.71
Profit for the year	5871.68	4448.64
Add: Surplus carry forward from the last year Balance sheet	0.00	0.00
Add: Transfer due to scheme of arrangement	0.00	3427.07
Add: Cancellation of Subscriber Share Capital	0.00	1.00
Less: Transfer for Issue of Share Capital	0.00	106.71
Balance carried over to Balance Sheet	5871.68	7770.00
Earnings Per share (₹)	55.02	41.69

The total revenue from operation for the F.Y. 2025-26 is Rs. 14437.40 Lakhs and operational revenue generation of Rs. 5871.68 Lakhs.

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.

Share Capital

The paid-up equity share capital as on 31st March 2026 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 2025-26.

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 :

Pursuant to the approval of Scheme of Arrangement vide Order No.

C.P.(CAA) 122(MB) 2024 dated October 28, 2024 by the Hon'ble Mumbai Bench of the National Company Law Tribunal (NCLT), 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.

Material Changes / Events after the date of balance sheet date

During the year under review, there is no material Changes / Events after the date of balance sheet date.

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 to the financial statement for F.Y. 2025-26.

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. 2025-26 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 Five (5) 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, Mr. Ajayprakash Kanoria (DIN: 00041279) will retired by rotation at the Annual General Meeting (AGM) on September 25, 2026.

II. Profile of the Directors seeking Appointment / Reappointment

Mr. Ajayprakash Kanoria, Managing Director of the Company, retired by rotation and is seeking appointment / reappointment at

the ensuing Third Annual General meeting. The Brief Profile of Director seeking appointment/ re-appointment is annexed in Annexure "F" to this report.

III. Re-appointment of Director

Mrs. Alka Kanoria, who was retired by rotation as per the provisions of Section 152(6), was 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

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].

VII. Familiarization Program for Independent Directors

The Independent Directors are familiarized with the Company, its business, operations, industry and their roles and responsibilities in accordance with the applicable provisions of the Companies Act, 2013 and Schedule IV thereto. The requirements relating to familiarization programs under Regulation 25(7) of the SEBI LODR Regulations, 2015 are not applicable to the Company, being an entity whose specified securities are listed on the SME Exchange, pursuant to Regulation 15(2)(b) of the SEBI LODR Regulations.

No new Director joined the Board of the Company during the year under review; hence no such program has been conducted during the FY 2025-26

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 of Materiality of Event or Information	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.
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:

- in the preparation of the annual financial statements for the year ended on March 31, 2026, 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,
- 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, 2026 and of the profit of the company for the year ended on that date,
- 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,
- the annual financial statements are prepared on a going concern basis,
- proper internal financial controls are in place and that the financial controls are adequate and are operating effectively and
- 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, 2026 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 members in the Annual general Meeting held on September 15, 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. 2025-26 is annexed herewith as "Annexure B". The Board has duly reviewed the Secretarial Auditor's Report and the observations and comments, appearing in the report are self- explanatory and do not call for any further explanation/ clarification by the Board of Directors as provided under Section 134 of the Companies Act, 2013.

Details of Fraud Report by Auditor

As per auditors' report, no fraud u/s 143(12) of the Companies Act, 2013 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 not required by the Company and accordingly such accounts and records are not 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

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

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 2025-26 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 D" 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- "E" 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 2025-26	
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, there were no significant and material Orders passed by any regulatory authority.

Details of Frauds Reported by Auditors

There are no frauds against the Company reported by the Auditors for the period under report.

Green Initiative

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of Third Annual General Meeting of the Company including the Annual Report for FY 2025-26 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.

Nagpur,
Monday
August 31, 2026

For and on behalf of the Board of Directors of

For **EMKAY TOOLS LIMITED**

 **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 2025-26.
- (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: 20-05-2026
- (f) Amount paid as advances during the F.Y. 2025-26, 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,
Monday
August 31, 2026

 **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. 2025-26	F.Y. 2024-25
(a)	(b)	(c)		
Nagpur Tools Private Limited	Promoter Group Company	Job Work	1630.19	1293.49
Adishree Engineering Private Limited	Promoter Group Company	Job Work	146.82	96.28
Emkay Taps and Cutting Tools Limited	Promoter Group Company	Loans taken	NIL	NIL
Emkay Taps and Cutting Tools Limited	Promoter Group Company	Sales	5.22	414.81
Mr. Ajayprakash Kanoria	Managing Director	Due to	180.61	119.87
Emkay Taps and Cutting Tools Limited	Promoter Group Company	Due from	NIL	25.95
Nagpur Tools Private Limited	Promoter Group Company	Due to	319.87	NIL
Adishree Engineering Private Limited	Promoter Group Company	Due to	34.08	NIL
Mr. Ajayprakash Kanoria	Managing Director	Managerial Remuneration	277.03	214.75
Mr. Sumit Gaidhane	Chief Financial Officer	Salary	8.01	6.37
Mrs. Riya Agrawal	Company Secretary	Salary	4.80	2.19

For and on behalf of the Board of Directors of

For **EMKAY TOOLS LIMITED**

Nagpur,
Monday
August 31, 2026

✍️ **Ajayprakash Kanoria**
Managing Director

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 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 2026, 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 2026, 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)

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 :- 24th August 2026

Place :- Nagpur

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

 **SURBHI PACHISIA**
(Proprietor)

Mem. No. A31291

CP. No.27412

UDIN:- A031291H001196257

Peer Review Certificate no. 8216/2026.

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 :- 24th August 2026

Place :- Nagpur

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

 **SURBHI PACHISIA**
(Proprietor)

Mem. No. A31291

CP. No.27412

UDIN:- A031291H001196257

Peer Review Certificate no. 8216/2026.

CSR Activities

CLEAN GANGA ACTIVITIES



PROMOTION OF HEALTHCARE FOR CHILDREN



Annexure C

ANNUAL REPORT ON CSR ACTIVITIES

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

1. Outline of the CSR policy:

- ◆ The Corporate Social Responsibility (CSR) Policy of the Company covers the causes that Company may pursue as its CSR.
- ◆ Based on the profit for each financial year, the CSR Committee shall indicate the amount to be spent during the year.
- ◆ The procedure for approval of the project(s), investment/incurred costs and monitoring is also laid down in the policy.
- ◆ The said CSR Policy and the activity to be pursued by the Company are placed under the web link: <https://emkaytoolsltd.com/wp-content/uploads/2025/07/CSR-POLICY.pdf>

2. Overview of projects implemented during FY 2025-26

The Company contributed in various CSR activities during FY 2025-26:

- ◆ Contribution made to Yashwi Academy for skills in Nagpur for promoting education, including special education and employment enhancing vocation skills.
- ◆ Contribution made to provide Assistance for up gradation of Neonatal Critical care services at Swami Vivekanand Medical Mission Hospital Khapri – Parsodi, Wardha Road, Nagpur.
- ◆ Contribution made towards Clean Ganga Fund (CGF) under our Corporate Social Responsibility (CSR) commitment for contributing towards one of the biggest environmental movements for conserving our national river, Ganga.

3. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ajayprakash Kanoria	Managing Director	1	1
2.	Mrs. Alka Kanoria	Director	1	1
3.	Mr. Palathayi C Ramchandran	Independent Director	1	1

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5.
 - (a) Average net profit of the Company as per section 135(5): 29,77,27,470.00/-
 - (b) Two percentage of average net profit of the Company as per section 135(5): 59,54,549.40/-
 - (c) Surplus arising out of the CSR projects or programmers or activities of the previous financial year: NIL
 - (d) Amount required to be setoff for the financial year, if any: NIL
 - (e) Total CSR obligations for the financial year: 59,54,549.40/-
6.
 - (a) Amount spent on CSR projects (both ongoing projects and other than ongoing project): 59,55,035.86/-
 - (b) Amount spent in Administrative Overheads: Nil
 - (c) Amount spent on impact assessment, if applicable
 - (d) Total amount spent for the Financial year (a) + (b) + (c): 59,55,035.86/-
 - (e) CSR Amount spent for the financial year: 59,55,035.86/-

(f) Excess amount for set off, if any: INR

(Note: The set-off amount is for F.Y. 2023-24 and F.Y 2024-25

Total Amount Spent for the Financial Year 2025-26 (in Rs.)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount Unspent (in Rs.) Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
59,55,035.86	-	-	Clean Ganga Fund	2,61,000.00	25-06-2026

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	59,54,549.40
(ii)	Total amount spent for the Financial Year	59,55,035.86
(iii)	Excess amount spent for the financial year [(ii) -(i)]	(486.46)
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii) -(iv)]	486.46

7. Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.	2024-25	-	-	-	-	-	-
2.	2023-24	-	-	-	-	-	-
3.	2022-23	-	-	-	-	-	-
	Total	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through corporate Social Responsibility amount spent in the financial year: Not Applicable

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

For EMKAY TOOLS LIMITED

Nagpur, Monday
August 31, 2026

Ajayprakash Kanoria
Managing Director

Annexure D

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. 2025-26.

(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	277.00		29.01
2.	Mrs. Alka Kanoria	Director	0		0
II.	Key Managerial Personnel				
3.	Mr. Sumit Gaidhane	Chief Finance Officer	8.01	NA	25.75
4.	Mrs. Riya Agrawal	Company Secretary	4.80	NA	0.00

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
2025-26	2024-25	for Fiscal 2025-26
475956.00	420000.00	13.32%

- D. The number of permanent employees on the rolls of company as on March 31, 2026: 82

● Male	–	79
● 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 2025-26
All permanent Employees	13.32 %
Executive Directors/ Managerial Remuneration	
Mr. Ajayprakash Kanoria	29.01 %
Mrs. Alka Kanoria	NA*

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 E

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, 2026

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	2025-26	2024-25
Total Foreign Exchange Outgo	66.92	619.12
Total Foreign Exchange Earned	1235.89	764.15

Annexure F

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

Name	Ajayprakash Kanoria
DIN No.	00041279
Date of Birth	May 13, 1957
Appointed on	April 25, 2023
Qualifications	Bachelor 's Degree of Commerce
Brief Profile	Mr. Ajayprakash Kanoria presently designated as the Managing Director of the Company. He is a key to the strategic decisions of the Company and is keen towards all prominent activities in the Company. His involvement is not limited to planning but extends to overall formulation of the strategy and development activities. With his strategic planning and strong business attitude, he plays the major role in the growth of Company. During the course of his vast experience, the company has drastically increased the trust and appreciation of its Costumer, with his consistency towards quality of products manufactured under the Brand. He is one of the Promoters and first Director of the Company.
Directorship held in other Public (excluding private companies)	Emkay Taps and Cutting Tools Limited
Membership/ Chairmanship Of Committees in other Companies	1
No of Shares held in the Company (as on date)	628050
Relationship with other directors	Husband of Mrs. Alka Ajayprakash Kanoria, Director of the Company.

Corporate Governance Report 2025-26

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 – 2025-26 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, 2025 to 31st March 2026, the Board of Directors met Five (5) times on –

May 16, 2025; June 23, 2025; August 23, 2025; November 14, 2025; and February 17, 2026. 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. 2025-26	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, 2026
					Chairman	Member	
1.	Ajayprakash Kanoria	MD	5	1	1	1	628050
2.	Alka Kanoria	D	5	1	0	1	1124190
3.	Mahesh Mor	NEID	5	1	3	1	0
4.	Ravindra Loiya	NEID	5	1	0	2	14400
5.	P.C. Ramchandran	NEID	5	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 Five (5) times during the F.Y. under review viz., May 16, 2025; June 16, 2025; August 23, 2025; November 14, 2025; and February 17, 2026. The maximum time gap between any two consecutive meetings was not more than 120 days.

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

Sr. No.	Name	Designation	Position in Committee	No. of Committee Meetings attended during the F.Y. 2025-26
1.	Mr. Ravindra Loiya	NEID	Chairman	05
2.	Mr. P. C. Ramchandran	NEID	Member	05
3.	Mr. Ajayprakash Kanoria	CMD	Member	05

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 February 17, 2026 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. 2025-26
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 F.Y. 2025-26 on August 23, 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. 2025-26
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 Committee met once on February 17, 2026 at the registered office of the company.

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. 2025-26
1.	Ajayprakash Kanoria	MD	Chairman	1
2.	Alka Kanoria	D	Member	1
3.	Mr. Mahesh Mor	NEID	Member	1

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, 2026 are given below:

Name and Designation	Ajayprakash Kanoria Managing Director
	Amount (In Lakhs)
Basic Salary	39.00
Perquisites & Allowances	0
3% of Net Profit	237.74
Contribution to PF and superannuation fund	0.29
Total	238.03

◆ 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	5	2	2500	1000
2.	Mr. Ravindra Loiya	NEID	5	7	2500	1000
3.	Mr. P. C. Ramchandran	NEID	5	8	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

As stipulated by SEBI, Ms. Surbhi Pachisia, Qualified Practicing Company Secretary from Nagpur; carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the NSE (India) Limited. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form.

◆ Investors Complaints

There were no complaints received during the year under review and no pending complaints as on March 31, 2026. 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
2 nd	March 31, 2025	MIDC Hingna, Industrial Estate Nagpur-440016	September 15, 2025	11.30 AM

◆ Special Resolutions

There was no special resolution during the year.

◆ 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

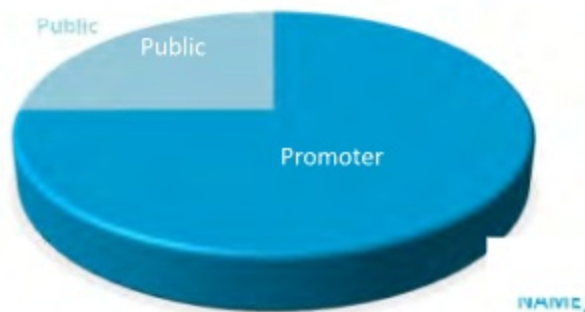
Sr. No.	Salient Items of Interest	Particulars
1.	AGM Day and Date Time Venue	: On Friday, September 25, 2026 : 11.00 AM : Plot No B-27 And B-27/1, MIDC Hingna, Industrial Estate Nagpur-440016
2.	Financial Year	: April 1 st 2025 to March 31 st 2026
3.	Date of Book Closure for AGM	: From: Saturday, September 12, 2026 To: Friday, September 25, 2026 (both days inclusive)
4.	Dividend Payment, if any declared	: @ Rs. 3.00/- 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. 2026-27 has been paid.
6.	Custodian Fees to Depositories	: The Company has paid fees for the F.Y. 2025-26 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

uShareholding Pattern as on 31st March 2026

Categories	Total Shareholder	% of shareholders	No. Of shares held	Percentage of total (%)
A. Promoter and Promoter Group	06	0.90	8002800	7.49
Promoters	04	0.59	6107700	5.72
Corporate Bodies (Promoter Group)	02	0.30	1895100	1.78
Person related to Director	00	00.00	00	00.000
B. Public	632	97.29	2643750	2.49
Non-Institutional (Individual)	00	00	00	00
Corporate Bodies	20	2.96	1264800	1.19
Clearing members	03	0.44	7950	0.01
Any other	615	91.11	1371000	1.28
C. Non-resident Indians	31	4.59	24750	0.02
TOTAL (A+B+C)	675	100.00	10671300	10.00

Note : Shares held under Unclaimed suspense Account w.e.f. December 05,2024 is 2400 Equity Shares of Rs. 1/- each.

SHAREHOLDING



6 Distribution of Shareholding as on March 31, 2026

Shareholding of nominal		Number of shareholders	Percentage of total	No. of Shares	Percentage of total
			%		%
1	5000	638	94.5185	294900	0.2763
5001	10000	14	2.0741	105000	0.0984
10001	20000	12	1.7778	162900	0.1527
20001	30000	3	0.4444	76800	0.0720
30001	40000	0	0	0	0
40001	50000	1	0.1481	42600	0.0399
50001	100000	1	0.1481	63600	0.0596
100001	9999999999999999	6	0.8889	9925500	9.3011
TOTAL		675	100.00	10671300	10.00

Top 10 Shareholders as on March 31, 2026

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	1116000	10.458
5.	Rahim Mansoor Khan	Public	809700	7.588
6.	Ajayprakash Murlidhar Kanoria	Promoter	628050	5.89
7.	Priya Vinyog Pvt. Ltd.	Corporate Bodies	63600	0.596
8.	Anuj Shantilal Badjate	Public	42600	0.399
9.	Exim Scrips Consultants Pvt Ltd	Corporate Bodies	30000	0.281
10.	Maloo Commodities & Stock Trading Private Limited	Corporate Bodies	26400	0.247

6 Shares held in dematerialized form as on March 31, 2026

Particulars	Number of shares	% of total issued capital
Issued Capital / Listed Capital (as per Company records)		
Held in Dematerialized form in NSDL	294150	2.76
Held in Dematerialized form in CDSL	10377150	97.24
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, Monday
August 31, 2026

 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, Monday
August 31, 2026

 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 M/s. Emkay Tools Limited as on the date of Director's Report for the F.Y. 2025-26, 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 24, 2026

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

 **SURBHI PACHISIA**
(Proprietor)

Mem. No. A31291

CP. No. 27412

UDIN:- A031291H001196323

Peer Review Certificate no. 8216/2026

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, 2026 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, Monday August 31, 2026

For Emkay Tools Limited

 Ajayprakash Kanoria
Managing Director

 Sumit Gaidhane
Chief Financial Officer



EMKAY TOOLS LTD

MANAGEMENT DISCUSSION & ANALYSIS

FY 2025-26 | Annual Report 2026

Investor-focused review of industry, operations,
technology, risks, opportunities and outlook.

Industry structure & developments

Precision cutting tools sit at the intersection of advanced manufacturing, industrial automation and global supply chains.

Global industry overview

The global machine tools and cutting tools industry forms the backbone of modern manufacturing. Precision tooling—including taps, drills, reamers, end mills, milling cutters and related products—is indispensable across automobiles, aerospace, defence equipment, railways, medical devices, industrial machinery, electronics and general engineering. As manufacturing moves toward higher precision, automation and digital integration, demand for technologically advanced cutting tools continues to expand.

The global machine tools industry has experienced steady expansion, supported by industrial automation, wider adoption of Computer Numerical Control (CNC) machining and investment in advanced manufacturing facilities across developed and emerging economies. Manufacturers increasingly seek high-performance cutting solutions that deliver machining accuracy, longer tool life, lower production costs and higher productivity.

Technology-led evolution

Smart manufacturing, digital production systems and sustainable manufacturing are accelerating investment in advanced cutting technologies. Tool manufacturers are incorporating wear-resistant coatings, improved carbide grades, optimized tool geometries and digital monitoring capabilities for high-speed, high-precision machining.

Global opportunity pool

Emerging manufacturing hubs across Asia, together with capacity expansion in North America and Europe, continue to create opportunities for cutting tool manufacturers serving both domestic and export markets.



Modern machining and production environment

India cutting tools industry

Structural manufacturing growth, localization and global supply-chain participation underpin the domestic opportunity.

India has emerged as one of the fastest-growing manufacturing economies, supported by strong domestic demand, favourable government policies, infrastructure development and increasing participation in global supply chains. The Indian cutting tools industry plays a vital role in the engineering and manufacturing ecosystem by supplying precision tooling solutions across a broad range of industries.

Growing localization, investments in industrial infrastructure, increasing penetration of CNC machine tools and expansion of export-oriented manufacturing have enhanced demand for high-quality cutting tools. Domestic manufacturers are strengthening capabilities through technological upgradation, product innovation, process automation and quality enhancement. The industry is witnessing gradual import substitution in several product categories while also expanding export opportunities through cost-effective, high-quality tooling solutions.

Demand drivers

 Expansion of domestic manufacturing capacity.	 Increasing investments in CNC machining and precision engineering.	 Rising demand from automotive and electric vehicle manufacturers.
 Growth in aerospace and defence manufacturing.	 Infrastructure and railway modernization projects.	 Expansion of renewable energy equipment manufacturing.
 Increasing production of medical devices and precision instruments.	 Growing industrial automation across manufacturing sectors.	 Rising exports of engineering goods and industrial machinery.

Market size & growth outlook

The global cutting tools market continues to demonstrate resilient growth, supported by industrialization, modernization of manufacturing facilities and widespread adoption of advanced machining technologies. India remains a promising growth market due to its expanding manufacturing base, favourable demographic profile and sustained government focus on industrial development. Increasing domestic consumption and expanding exports are expected to support healthy demand for cutting tools over the coming years.

Policy support & manufacturing sector

Government initiatives and rising industrial investment create a favourable ecosystem for precision tooling.

Government initiatives

The Government of India has introduced initiatives aimed at strengthening domestic manufacturing and global competitiveness. Make in India continues to encourage indigenous manufacturing, attract foreign direct investment and promote local production across automobiles, defence, electronics, engineering and heavy industries. The Production Linked Incentive (PLI) Scheme, where applicable to downstream manufacturing sectors, has encouraged investments in advanced manufacturing, localization and integrated supply chains; increased activity across PLI-supported industries is expected to generate demand for precision cutting tools.

Other policy initiatives—including the National Infrastructure Pipeline, PM Gati Shakti, industrial corridor development, logistics modernization and the continuing emphasis on ease of doing business—are expected to strengthen India's manufacturing ecosystem.

Manufacturing sector growth

India's manufacturing sector continues to expand steadily, supported by improving industrial production, rising private capital expenditure, infrastructure investment and increasing global confidence in India's manufacturing capabilities. Investments are being made in modern facilities equipped with CNC machinery, automated production lines, robotics and digital manufacturing systems. As manufacturers seek higher efficiency and product quality, demand for advanced cutting tools continues to increase.

Growing participation of Indian manufacturers in global supply chains, coupled with increasing localization by multinational companies, provides significant long-term opportunities for the domestic cutting tools industry.

Key end-user industries

Automotive	Passenger vehicles, commercial vehicles, EVs and auto components require precision machining for engines, transmissions, chassis and assemblies.
Aerospace	Commercial aviation, defence aviation and aircraft components require specialized tools for complex alloys.
Defence	Indigenization and domestic military production create opportunities for precision tooling.
Railways	Modernization, metro projects, freight corridors and rolling stock support machining demand.
General & Precision Engineering	Industrial machinery, pumps, Compresses, generators valves, heavy equipment, electrical equipment and capital goods remain major consumers.

Company overview & business segments

A precision tooling platform built around quality, technology, customer responsiveness and diversified end markets.

Company overview

The Company is engaged in manufacturing high-quality precision cutting tools and has established itself as a trusted supplier to engineering and manufacturing industries through its commitment to quality, innovation and customer satisfaction. Its modern manufacturing facility is equipped with advanced CNC machines, precision grinding equipment, inspection systems and quality-control infrastructure, enabling high-performance tooling solutions aligned with international quality standards.

With continuous product development and technological upgradation, the Company serves automotive, aerospace, defence, railways, general engineering and precision engineering sectors.

Products are marketed through a well-established domestic dealer network, alongside direct sales to OEMs and industrial customers. The Company has also strengthened its export presence by supplying quality products that comply with international specifications. Manufacturing capability, customer-centric execution, quality and timely delivery support long-term customer relationships in domestic and international markets.

Business segments

Thread cutting tools	A significant portion of business, supported by automotive, engineering and industrial manufacturing demand.
Milling tools	High-precision machining solutions for a broad industrial customer base.
Drilling tools	Precision drilling applications across multiple engineering sectors.
Special purpose tools	Customized solutions for specific applications and value-added engineering requirements.



Market review

Diversified end markets reduce reliance on a single industry while supporting balanced revenue streams.

The Company caters to a diversified customer base across several high-growth industrial sectors. This reduces dependence on any single industry and supports a balanced revenue stream.

Automotive & auto components	One of the largest consumers of precision cutting tools, supported by production growth, localization and EV adoption.
Defence & aerospace	Steady demand supported by indigenous manufacturing, defence modernization and aircraft component manufacturing.
Heavy engineering	High-performance tooling is required for complex and high-strength materials used in critical applications.
Railways	Modernization, metro projects, dedicated freight corridors and rolling stock manufacturing present significant opportunities.
General engineering	Industrial machinery, pumps, valves, machine tools and capital goods remain important sources of demand.
Electronics & medical equipment	Growing production of electronic components and precision medical equipment increases demand for superior-quality cutting tools.

Customer priorities are evolving toward longer tool life, higher machining speeds, improved productivity and lower operating costs. As manufacturing becomes more technology-driven through CNC machining, automation and precision engineering, demand for advanced cutting tools is expected to remain robust, creating opportunities in both domestic and international markets.



Precision tooling portfolio

Economic overview

India remained a relative growth bright spot amid a complex global environment.

The global economy remained resilient despite geopolitical uncertainties, elevated interest rates and supply-chain disruptions. India continued to outperform most major economies, supported by strong domestic demand, public infrastructure investment and improving private capital expenditure.

India's real GDP is estimated to have grown by 7.4% in FY 2025–26, while Manufacturing PMI remained consistently above the expansion threshold of 50, reflecting sustained industrial activity. Government-led infrastructure spending, improving industrial production and manufacturing investment under policy initiatives strengthened the industrial ecosystem. Exchange-rate volatility and global inflationary pressures remained key areas of focus for export-oriented businesses.

The overall macroeconomic environment remains favourable for engineering and precision manufacturing, supported by healthy manufacturing growth, stable inflation and continued emphasis on industrial development.

REAL GDP GROWTH 7.4% FY 2025–26	MANUFACTURING PMI > 50 Expansion threshold exceeded through most of FY
RBI POLICY REPO RATE 5.25% Current	CPI INFLATION Moderating Within RBI medium-term target band

Capital expenditure	Continued increase through Government infrastructure investments
Industrial production (IIP)	Positive growth, supported by manufacturing and infrastructure sectors
Private investment	Improving due to higher capacity utilisation and policy support
Exchange rate	Rupee remained subject to global currency and crude oil movements, impacting export competitiveness

Trusted sources: Economic Survey 2025–26, Government of India; International Monetary Fund (IMF), India Article IV Consultation 2025; Reserve Bank of India (RBI) Monetary Policy Statement.

Opportunities & threats

The Company's opportunity set is supported by localization, technology adoption and diversified end markets, while competition and input volatility remain important considerations.

Opportunities

The Company is well-positioned to benefit from continued growth in India's engineering and manufacturing sectors, supported by infrastructure spending, capital investments and Make in India. The China+1 sourcing strategy, import substitution, expanding exports and rising demand from defence, aerospace, EVs, medical devices and precision engineering are expected to support demand for high-quality cutting tools.

- Industrial automation, digital manufacturing and CNC machining are creating demand for technologically advanced and customized tooling solutions.
- Special purpose tools, tool reconditioning services and long-term OEM partnerships provide avenues for business expansion and value creation.
- International market opportunities can be pursued through product quality, competitive positioning and diversified customer relationships.

Threats

- Low-cost imports, particularly from China, and intense price competition.
- Fluctuations in raw material prices, global economic uncertainty, currency movements and supply-chain disruptions.
- Evolving customer specifications, rapid technological change, shortage of skilled manpower and the need for continued investment in advanced manufacturing.
- Demand slowdowns in key end-user industries, customer concentration and higher inventory carrying costs.

Mitigation focus

The Company continuously focuses on product innovation, operational efficiency, customer diversification and prudent risk management to mitigate these challenges and sustain long-term growth.

Risks & concerns

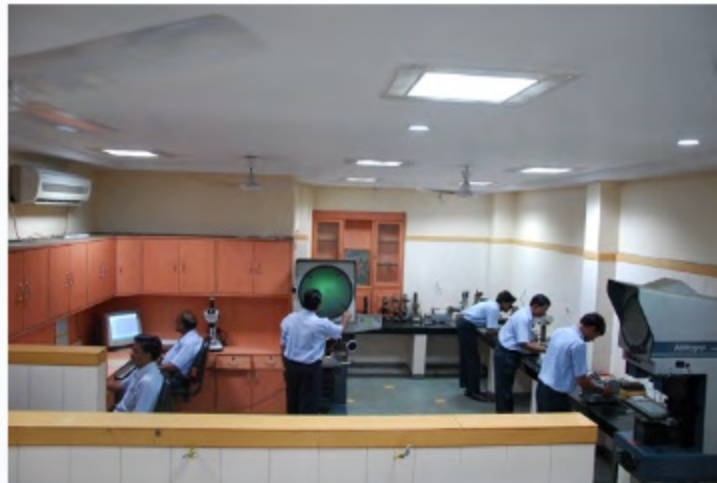
A broad risk framework addresses business, operational, financial, technological, cyber and regulatory exposures.

The company is exposed to internal and external risk associated with the business. The operation of the company are directly dependent on the automotive industry and the cyclical nature in the industry effects us. The ongoing war of Iran with USA has effected crude oil prices and if this continues Crude oil prices will stay high and the possibility of interest rate going up will be substantially higher. Under such circumstances, the Auto industry will be effected. This will also effect the companies performance.

The recent changes in the US Tariff and uncertainties towards tariff has direct bearing to the cutting tools industry and hence due to the uncertainties we have not been able to get export orders in current year. Last year Export contributed to approximately 4-5% of our turnover. However because of the ongoing good momentum in the Indian Market, things are looking good.

Risk management approach

The Company's risk response is embedded in ongoing monitoring, operational controls, customer diversification, product and process innovation, prudent financial management and compliance practices. These measures are intended to preserve operational continuity, protect quality and support sustainable growth in a changing business environment.



Technology and manufacturing capability – archival image

Raw materials & manufacturing operations

Operational excellence is supported by supplier resilience, process discipline and continuous productivity improvement.

Raw material outlook

Manufacturing operations primarily depend on High-Speed Steel (HSS), carbide, tool steel, cobalt, tungsten, titanium coating materials, industrial gases, lubricants and packaging materials. Input prices are influenced by global commodity markets, geopolitical developments and supply-chain dynamics, resulting in periodic cost volatility.

To mitigate these risks, the Company focuses on supplier diversification, strategic vendor development, long-term procurement relationships and optimum inventory management. Continuous monitoring of raw material prices and efficient sourcing strategies support uninterrupted production while maintaining cost competitiveness and product quality.

Manufacturing operations

The Company operates modern manufacturing facilities equipped with advanced machinery and precision manufacturing processes. Continuous efforts focus on capacity utilisation, machine efficiency, production yield and overall productivity through preventive maintenance, process optimization and quality improvement initiatives.

Lean Manufacturing	Eliminate waste and improve process flow.
Kaizen	Continuous, incremental improvement.
5S	Workplace organization and efficiency.
TPM	Preventive maintenance and equipment effectiveness.
Automation & energy efficiency	Strengthen operational excellence while reducing energy consumption, material wastage and production costs.



Warehouse and inventory management environment

Research, development & technology

Innovation is directed toward product performance, precision, customization and digital manufacturing.

Research & development

The Company continuously invests in R&D; to enhance product performance and meet evolving customer requirements. Initiatives focus on advanced coating technologies, optimized tool geometry and enhanced tool life.

The Company also undertakes performance testing, prototype development, reverse engineering and customer-specific tooling solutions using modern CAD/CAM design and simulation software. Continuous innovation supports high-precision, value-added products and strengthens competitive positioning.

Technology upgradation

Investment in advanced CNC grinding machines, tool measuring systems, laser marking equipment and automated inspection facilities enhances manufacturing accuracy and consistency. The Company is progressively adopting digital production monitoring, ERP-based process integration and Industry 4.0 practices to improve operational visibility and decision-making.

Precision	CNC grinding and measurement systems support manufacturing accuracy.
Digital	ERP integration and production monitoring improve visibility and decisions.
Automation	Robotics and automated inspection improve consistency and efficiency.



Quality assurance & supply chain

Quality and delivery reliability are reinforced through traceability, process controls and resilient sourcing.

Quality assurance

Vigorous Quality Control measures are done at each stage level and also final inspection level so that consistency in quality is ensured to the customers. We are dedicated to precision manufacturing of ground thread taps with world-class R&D facilities and are staffed by highly trained engineers, all dedicated to developing the highest quality ground thread taps using the latest processes and machines to offers an extensive line of High Technology thread cutting taps designed for use in today's most aggressive conditions.

Supply chain management

With the type of inventories we are having, we are in a position to dispatch material to our customers just in time. We are maintaining a very large inventory of standard taps and also nonstandard taps in HSS and also HSSE and PM grade steels , we also have stocks of coated taps ,with such inventories we are able to despatch 95% of our orders within 24 hours Utilization of our resources and technical knowhow to their fullest, we at ET are providing our customers ground thread taps with advanced technology, superior quality with service at customer doorstep giving a reason for customers to insist on "ET Taps" as their first choice.



Inspection, testing and measurement environment

Marketing, sales & export performance

A customer-led commercial model combines distribution reach, OEM relationships, technical support and international expansion.

Marketing & sales

The Company markets its products through a well-established dealer and distributor network while maintaining long-term relationships with OEMs and industrial customers. The marketing strategy focuses on expanding domestic and export markets through customer-centric solutions, participation in industrial exhibitions and trade fairs, digital marketing initiatives and continuous engagement with key customers.

Customer retention is supported by consistent product quality, timely delivery, technical support and responsive after-sales service. Strengthening distributor networks and key-account management is expected to further enhance market reach and business growth.

Export performance

The Company continues to strengthen its export business by supplying precision cutting tools to international customers while maintaining high standards of quality and reliability. The export strategy focuses on geographical expansion, new customer relationships and deeper market penetration through competitive products and timely deliveries.

The Company evaluates opportunities in emerging overseas markets while managing currency exposure through prudent financial practices. Compliance with international quality standards and certifications, favourable trade agreements and growing global demand for precision engineering products provide a strong foundation for long-term export revenue expansion.



Industry exhibition presence and customer engagement



Health, safety, environment & ESG

Sustainable manufacturing is framed through workplace safety, resource efficiency, responsible operations and governance.

Health, Safety & Environment

The Company is committed to maintaining a safe, healthy and environmentally responsible workplace through occupational health and safety best practices. Its objective is to achieve zero accidents through consistent use of personal protective equipment (PPE), machine safety measures, fire-prevention systems, regular safety training and emergency preparedness.

The Company also focuses on energy conservation, waste minimization and safe disposal of hazardous waste in accordance with applicable environmental regulations. Continuous efforts to reduce carbon emissions, improve resource efficiency and explore renewable-energy opportunities like Solar Panels, reflect its commitment to sustainable manufacturing and environmental stewardship.

ESG initiatives

Environmental, Social and Governance (ESG) principles are integrated into business operations to create long-term sustainable value for stakeholders.

E Environmental	Energy conservation • efficient resource utilization • waste management • renewable energy where feasible
S Social	Employee welfare • skill development • workplace safety • community development • meaningful CSR initiatives
G Governance	Board oversight • ethical conduct • regulatory compliance • enterprise risk management • transparent disclosures



People, workplace and organizational capability

Future outlook

A focused agenda around capacity, technology, exports, product innovation and sustainable manufacturing.

The outlook for the precision cutting tools industry remains positive, supported by sustained growth in automotive, aerospace, defence, railways, medical devices and general engineering, together with continued investment in manufacturing and infrastructure.

CAUTIONARY STATEMENT

Forward-looking information

Statements contained in this Management Discussion and Analysis describing the Company's objectives, expectations, projections, estimates and future outlook may constitute "forward-looking statements" within the meaning of applicable laws and regulations.

These statements are based on certain assumptions, expectations and estimates of management and are subject to risks, uncertainties and other factors, including changes in economic conditions, government policies, market demand, competition, raw material prices, foreign-exchange fluctuations, technological developments and other external factors. Such factors may cause actual results to differ materially from those expressed or implied.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are therefore advised to exercise appropriate caution while relying on such statements and to consider them in conjunction with the risks and uncertainties discussed elsewhere in this Annual Report.



INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
M/s Emkay Tools Limited
Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of M/s. Emkay Tools Limited ("the Company") for the ended March 31, 2026 which comprises the Balance Sheet as at March 31, 2026, 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, other explanatory information and attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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, 2026, and profit/loss, and its cash flows for the year ended on that date and are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard.

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 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 results 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.

Management's Responsibilities for the Standalone Financial Results

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

The Board of Directors are 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 in 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 declared dividend in the previous year and as such provisions of Section 123 of the Act has been duly complied by the Board of Management.
 - (b) The Company has not declared interim dividend during the year, 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, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

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.

Place: Nagpur
Date: 29/05/2026
UDIN : 26127522DVMZJR6557

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

 Bhagwat Thakare
Partner
Membership No. 127522

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 2026, 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, 2026 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 have an unspent amount of ₹2.26 lakhs And the same is 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: 29/05/2026
UDIN : 26127522DVMZJR6557

 **Bhagwat Thakare**
Partner
Membership No. 127522

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

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

We have audited the internal financial controls over financial reporting of Emkay Tools Limited ("the Company") as of March 31, 2026 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, 2026, 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: 29/05/2026

UDIN : 26127522DVMZJR6557

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

 Bhagwat Thakare
Partner
Membership No. 127522



EMKAY TOOLS LTD

Emkay Tools Limited

Balance Sheet as on 31st March 2026

Figures in Lakhs

PARTICULARS	Note. No.	Figures as at the end of 31 st March 2026	Figures as at the end of 31 st March 2025
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	4	106.71	106.71
(b) Reserves And Surplus	5	13916.96	8248.87 -
(2) Share Application Money Pending Allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)	6	46.12	18.96 -
(4) Current Liabilities			
(a) Short-Term Borrowings	7	-	76.87
(b) Trade Payables	8	798.43	478.88
(c) Other Current Liabilities	9	842.47	562.37
(d) Short-Term Provisions	10	2080.86	1552.27
Total :		17791.55	11044.93
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Property, Plant and Equipment	11	1592.7	1434.23
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-Current Investments	12	7741.84	2421.08
(c) Deferred tax assets (net)			
(d) Long term loans and advances	13	52.93	34.90
(e) Other non-current assets	14	113.74	2.51
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	15	2142.92	2162.65
(c) Trade Receivables	16	3656.88	2862.49
(d) Cash And Cash Equivalents	17	454.67	80.37
(e) Short-Term Loans And Advances	18	27.67	368.68
(f) Other Current Assets	19	2008.20	1678.02
Total :		17791.55	11044.93
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

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 : 29/05/2026
UDIN : 26127522DVMZJR6557



EMKAY TOOLS LTD

Emkay Tools Limited

Profit and Loss Account for the Year Ended 31st March 2026

Figures in Lakhs

PARTICULARS	Note No.	For the year ended 31 st March 2026	For the year ended 31 st March 2025
I. Revenue From Operations	20	14437.4	11654.99
II. Other Income	21	178.49	37.56
III. Total Income		14615.89	11692.55
IV Expenses			
(a) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	109.7	(262.36)
(b) Cost of Raw Material Consumed	23	1559.41	1876.83
(c) Cost of Stores Consumed	24	240.18	227.77
(d) Cost of Packing Material Consumed	25	121.94	116.94
(e) Cost of Trading Goods Consumed	26	26.52	6.10
(f) Manufacturing Expenses	27	2924.04	2416.07
(g) Shares Expenses	28	1.84	1.67
(h) Employee Benefit Expenses	29	692.29	606.00
(i) Administration Expenses	30	501.08	391.28
(j) Selling & Distribution Expenses	31	217.69	149.51
(k) Finance Costs	32	0.74	9.16
(l) Depreciation And Amortization Expenses	33	285.38	195.23
Total Expenses :		6680.81	5734.20
V. Profit Before Exceptional And Extraordinary Items And Tax	[III - IV]	7935.08	5958.35
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items And Tax	[V - VI]	7935.08	5958.35
VIII. Extraordinary Items		-	-
IX. Profit Before Tax	[VII - VIII]	7935.08	5958.35
X. Tax Expenses :			
(a) Income Tax	34	2036.24	1501.00
(b) Deferred Tax		27.16	8.71
XI. Profit / (Loss) From The Period From Continuing Operations	[IX - X]	5871.68	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]	5871.68	4448.64
XVI Earning per equity share :	35		
(1) Basic		55.02	41.69
(2) Diluted		55.02	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 : 29/05/2026
UDIN : 26127522DVMZJR6557



EMKAY TOOLS LTD

Emkay Tools Limited

Note 1

Statement of Cash Flow

Figures in Lakhs

Particulars	For the year ended	
	31.03.2026	31.03.2025
Cash Flow From Operating Activities:		
Profit before tax	7935.08	5,958.35
Adjustment for:		
Depreciation & Amortisation Expenses	285.38	195.23
Preoperative Expenses Written off	0.63	0.63
Demerger Expenses Written off	27.97	-
Fixed Assets Written Off	3.89	-
Interest Paid	0.74	9.16
Interest Received / Other Non Operative Receipt	(136.68)	(10.89)
Operating Profit before Working Capital Changes	8117.01	6,152.48
Movement in working capital		
Decrease / (Increase) in inventories	19.73	(2,162.65)
Decrease / (Increase) in trade receivable	(794.39)	(2,862.49)
Decrease / (Increase) in short term loans & advances	341.01	(368.68)
Decrease / (Increase) in other current assets	211.99	(199.89)
Increase / (Decrease) in trade payable	319.55	478.88
Increase / (Decrease) in other current liabilities	280.1	562.36
Increase / (Decrease) in short term provisions	6.59	51.12
Cash Generated from Operation	8501.59	1,651.13
Taxes Paid (Net of Refund)	(1993.22)	(1,375.37)
Net Cash from Operating Activities	6508.37	275.76
Cash Flow Used In Investing Activities:		
Fixed Asset Purchased	(450.69)	(1,629.52)
Proceeds from disposal of assets	3.04	0.12
Interest Received / Other Non Operative Receipt	136.58	10.84
Adjustment for:		
Long Term Loan & Advances	(18.03)	(34.69)
Non Current Investments	(5320.76)	(2,421.08)
Other Non Current Assets	(139.82)	0.01
Net Cash flow used in Investing Activities	(5789.68)	(4,074.32)
Cash Flow From Financing Activities:		
Payment on Buy Back of Share Capital	-	-
Proceeds from Equity Issue due to scheme of arrangement	-	3,813.41
Proceeds from Short term borrowings	(76.87)	74.14
Payment of Long term borrowings	-	-
Payment of Dividend and tax on it	(266.78)	-
Interest paid	(0.74)	(9.16)
Net Cash flow from Financing Activities	(344.39)	3,878.39
Net Increase / (Decrease) in Cash & Cash Equivalents	374.30	79.83
Cash & Cash Equivalents at the beginning of the year	80.37	0.54
Cash & Cash Equivalents at the end of the year	454.67	80.37

- Notes :** 1. 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
2. The Cash Flow Statement for the year ending on 31/03/2025 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.
3. 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. 127522Place : Nagpur
Dated : 29/05/2026
UDIN : 26127522DVMZJR6557

Emkay Tools Limited
Notes Forming Part of the Financial Statements

Note	Particulars
2	The Company is incorporated with the object of business of Manufacture of Taps & Cutting Tools. The registered office of the company is situated at Plot No. B-27 & B-27/1, MIDC Hingna Industrial Estate, Nagpur - 440016. The Company has not started its operations as on the date of Balance Sheet. The Company is a Public Company Limited by Shares The Company is a Public Company and is listed on National Stock Exchange (India) Ltd. SME EMERGE Platform.
3	SIGNIFICANT ACCOUNTING POLICIES :
3.1	Basis of accounting and preparation of financial statements The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards as notified and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention . The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The Financial Statements are presented in Indian Rupees, which the functional currency of the company. All Amounts have been rounded off to nearest lakhs, unless otherwise indicated. The Financial Statements have been presented as per Schedule of the Companies Act, 2013. The Company is not required to present Cash Flow Statement as per a part of Financial Statements.
3.2	Use of estimates The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates, if any, are recognised 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.
3.3	Revenue recognition The Company recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered or when delivered to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer. Revenues are recognised when collectability of the resulting receivable is reasonably assured. Income & expenses are recognised and accounted on accrual basis . Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition is postponed to the extent of uncertainty involved.
3.4	Property, Plant and Equipment and Intangible Assets Property, Plant and Equipment Property plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes purchase price, non refundable taxes and levies and other directly attributable costs of bringing the assets to its location and working condition for its intended use. The cost of an item is recognised as an asset if, and only if, it is probable that the economic benefit associated with that item will flow to the company in future periods and the cost can be measured reliably. Expenditure incurred for the asset has been put into operations, such as repairs and maintenance expenses, are charged to the statement of profit and loss during the period in which they are incurred. An item of asset is de-recognised upon disposal or when no future economic benefits are expected to arise 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. Intangible Assets 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.

Note	Particulars
	Depreciation and Amortisation 'Depreciation has been provided on the value of Property, Plant and Equipment at the written down value method acquired as per the rates and manner as prescribed in Schedule II to the Companies Act, 2013. In respect of additions/extensions forming integral part of existing assets & adjustments to Fixed Assets on account of exchange difference, if any, depreciation has been provided over residual life of the respective fixed assets. The useful lives is reviewed at least at each year end. Changes in expected useful lives are treated as change in accounting estimates. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Leasehold Land, if any, has been amortised over the period of lease. Intangible Assets are amortized as per written down value method over the estimated useful economic life. Management has determined its estimates of useful economic life. The useful economic life of the intangible assets is reviewed at each financial year and adjusted prospectively. Impairment of assets An impairment loss is recognized wherever the carrying amount of fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.
3.5	Earnings per share Basic Earning per Share Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The company has not issued any dilutable Shares to any persons. The EPS has been calculated as per Accounting Standard 20 "Earning Per share" issued by The Institute of Chartered Accountants of India. Diluted Earning per Share 'For the purposes of calculating Diluted Earning per share, the net profit or loss attributable to the Equity Shareholders and weighted average of the number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive and that either reduces the earning per share or increases loss per share are included.
3.6	Taxes on income 'Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Income tax expense is recognised in the statement of Profit and Loss. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the current year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax is the best estimate of the tax amount to be paid or received by the company which is measured at the rates of taxes enacted on the reporting date. 'Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.
3.7	Investment Current Investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term investments are carried at cost. Provision for diminution in the value of Long Term Investments is made only if; such a decline is other than temporary.
3.8	Inventory The inventories, i.e. Raw Materials, Stores and spares, Finished Goods etc. have been valued at lower of cost or net realisable value. Cost of Inventories comprises of all costs of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. The cost of raw Material and Stores & Spares is determined at Weighted Average Cost basis. By-products are valued at Net Realisable value. The cost of work in progress

Note	Particulars
	and finished stock is determined on the absorption costing method. The value of Finished Goods includes Excise Duty wherever applicable.
3.9	Cash and Cash Equivalents Cash and cash equivalents comprises cash on hand, demand deposits and highly liquid investments with an original maturity of up to three months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.
3.10	Borrowings Borrowing are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and redemption amount is recognised in Statement of Profit and Loss. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use, are capitalized during the period of the time that is required to complete and prepare the asset for its intended use. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.
3.11	Employee Benefits a) Short Term Employee Benefits : Short Term Employee Benefits are recognized as an expense in the year in which the related service is rendered at the undiscounted amount in the statement of Profit and Loss. These benefits include salaries, performance incentives, bonus which are expected to occur in twelve months at end of the period in which the employee renders the related service.
3.12	Segment Reporting The Company does not have any separate reportable Segment which is required to be prepared in accordance with the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.
3.13	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.
3.14	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.
3.15	Contingent Liabilities and Commitments A Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the management. Contingent assets are neither recognised nor disclosed in the financial statements.



EMKAY TOOLS LTD

Emkay Tools Limited

Note Forming Part of Balance Sheet as on 31st March, 2026

Figures in Lakhs

PARTICULARS	As on 31 st March 2026	As on 31 st March 2025
Note 4 : SHARE CAPITAL		
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	106.71
Paid Up 1,06,71,300 Shares of Rs. 1/- Each Fully Paid Up	106.71	106.71
TOTAL :	106.71	106.71

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

	As on 31 st March 2026		As on 31 st March 2025	
	No. of Share	In INR INR	No. of Share	In INR
Number of shares at the beginning of the year	10671300	106.71	100000	1.00
Add : Alloted during the year				
As per Scheme of Arrangement	-	-	10671300	106.71
On Rights Issue	-	-	-	-
On Bonus Issue	-	-	-	-
Less : Cancellation of Subscriber share	-	-	100000	1.00
Number of shares at the end of the year	10671300	106.71	10671300	106.71

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 2026		As on 31 st March 2025	
	No. of Share	% Holding	No. of Share	% Holding
1. Ajayprakash Murlidhar Kanoria (HUF)	4353960	40.80%	4353960	40.80%
2. Alka Ajayprakash Kanoria	1124190	10.53%	1124190	10.53%
3. Nagpur Tools Pvt. Ltd.	1893600	17.74%	1893600	17.74%
4. Ajayprakash Murlidhar Kanoria	628050	5.89%	628050	5.89%
5. Sudarshan Trading & Manufacturing Pvt. Ltd.	1116000	10.46%	1073250	10.06%
6. Anmesh Trade & Investments	809700	7.59%	819900	7.68%

4.8 Details of Share holding by Promoters in the company.

Promoter Name	No. of Shares as on 31/03/2026	% of total shares	% Change during the year
1. Ajayprakash Murlidhar Kanoria (HUF)	4353960	40.80%	-
2. Nagpur Tools Private Limited	1893600	17.74%	-
3. Alka Ajayprakash Kanoria	1124190	10.53%	-
4. Ajayprakash Murlidhar Kanoria	628050	5.89%	-
5. Apoorvashree Kanoria	1500	0.01%	-
6. Adishree Engineering Pvt. Ltd.	1500	0.01%	-
TOTAL	8002800	74.99%	

Note 5 : **RESERVE AND SURPLUS**

Particulars		As on 31 st March 2026		As on 31 st March 2025
Sicom Capital Incentive Reserve				
Balance as per last Balance Sheet	29.75		-	
Add : Transfer due to scheme of arrangement			29.75	
Add : Addition during the year -		29.75	-	29.75
D.C.V.L. Subsidy				
Balance as per last Balance Sheet	9.71		-	
Add : Transfer due to scheme of arrangement	-		9.71	
Add : Addition during the year -	-	9.71	-	9.71
Industrial Promotion Subsidy (From Govt. of Maharashtra under Package Scheme) "				
Balance as per last Balance Sheet	439.41		-	
Add : Transfer due to scheme of arrangement	-		336.64	
Add : Addition during the year	63.19	502.60	102.77	439.41
Profit & Loss Account				
Balance as per last Balance Sheet	7,770.00		-	
Add : Transfer due to scheme of arrangement			3,427.07	
Add : Cancellation of Subscriber share capital			1.00	
Add : Profit During the year	5871.68		4,448.64	
Less : Dividend Paid	266.78		-	
Less : Transfer for Issue of Share Capital		13374.90	106.71	7,770.00
Total :		13916.96		8248.87

Note 6 : **DEFERRED TAX LIABILITIES**

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Liabilities arising out of Fixed Assets		
Balance as per Last Balance Sheet	18.96	-
Defferred Tax Liabilities transfer due to scheme of arrangement		10.24
Asset/(Liability) Created During the Year	(27.16)	(8.72)
Total :	46.12	18.96

Note 7 : SHORT TERM BORROWINGS

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
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.				
Total :			76.87	

Note 8 : TRADE PAYABLES

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
Due to :				
Micro and Small Enterprises	20.72		0.49	-
Other Payables	423.76		478.39	
Related Party	353.95	798.43		478.88
(Refer Note No 42 for Trade payables ageing Schedule)				
Total :	798.43		478.88	

Note 9 : OTHER CURRENT LIABILITIES

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
Deposits & Advances Received	24.04		21.39	
Liability For Expenses	376.26		263.02	
Statutory Liabilities	440.83		273.50	
Other Credit Balances	1.34	842.47	4.46	562.37
Total :	842.47		562.37	

Note 10 : SHORT TERM PROVISIONS

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
For Employee Benefits	35.67		31.71	
For Others	2045.19	2080.86	1520.56	
Total :	2080.86		1552.27	

Note 12
NON-CURRENT INVESTMENTS

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
a) In Mutual Funds	7398.35		1989.90	
b) In Quoted Equity Shares	286.78		426.94	
c) In Fixed Deposit Receipts	56.71	7741.84	4.24	2421.08
Total :	7741.84		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 11
PROPERTY, PLANT & EQUIPMENT

PARTICULARS	RATE OF DEP.	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		BALANCE TRANSFER AS ON 01-04-2025	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 01-04-2026	ACCUMULATED DEPRECIATION TAKEN OVER DUE TO SCHEME OF ARRANGEMENT	DEPRECIATION DURING THE YEAR	DEPRECIATION REVERSED	BALANCE AS ON 31-03-2026	BALANCE AS ON 31.03.2025
Land No. 1	0.00%	13.50	-	-	-	13.50	-	-	-	-	13.50	13.50
Land No. 2	0.00%	7.67	-	-	-	7.67	-	-	-	-	7.67	7.67
Building No. 1	9.50%	332.56	-	-	-	332.56	187.64	-	13.77	-	201.41	131.15
Building No. 2	9.50%	38.34	-	-	-	38.34	31.58	-	0.64	-	32.22	6.12
Furniture & Fixture	25.89%	52.43	-	3.49	0.43	55.49	42.12	-	2.58	0.40	44.30	11.19
Mobile Phone	63.16%	4.00	-	-	1.02	2.98	3.33	-	0.34	0.97	2.70	0.28
Office Equipments	45.07%	31.86	-	0.07	0.44	31.49	28.36	-	1.04	0.40	29.00	2.49
Plant & Machinery	18.10%	3,612.96	-	385.79	69.17	3,929.58	2,529.94	-	230.73	65.63	2,695.04	1,234.54
Generator	18.10%	8.97	-	-	6.27	2.70	8.52	-	-	5.96	2.56	0.14
Compressors	18.10%	42.93	-	-	-	42.93	26.20	-	2.95	-	29.15	13.78
Transformers	18.10%	9.93	-	9.60	-	19.53	7.27	-	1.72	-	8.99	10.54
Transport Trailers	18.10%	0.62	-	-	-	0.62	0.52	-	0.02	-	0.54	0.08
Coolant Tower (L-6)	18.10%	8.12	-	-	-	8.12	5.67	-	0.44	-	6.11	2.01
Coolant Tower (B-27)	18.10%	9.94	-	-	-	9.94	5.35	-	0.83	-	6.18	3.76
Air Conditioners	18.10%	34.49	-	0.74	-	35.23	21.48	-	2.33	-	23.81	11.42
Elevator (Lift)	18.10%	10.08	-	-	-	10.08	4.77	-	0.96	-	5.73	4.35
Computers	63.16%	50.99	-	3.03	0.70	53.32	45.52	-	3.27	0.66	48.13	5.19
Computer Software	63.16%	10.31	-	-	-	10.31	5.79	-	2.66	-	8.45	1.86
Inspection Equipments	18.10%	64.01	-	3.75	-	67.76	41.63	-	4.16	-	45.79	21.97
Electricals Installations	25.89%	35.66	-	-	-	35.66	31.53	-	0.87	-	32.40	3.26
Pollution Control Equipment	18.10%	12.50	-	-	-	12.50	10.84	-	0.22	-	11.06	1.44
Motor Car	31.23%	127.02	-	39.51	48.45	118.08	104.14	-	9.91	46.03	68.02	50.06
Loader E-Cart	31.23%	1.18	-	1.43	-	2.61	1.04	-	0.13	-	1.17	1.44
(Electric Rickshaw)												
Motor Cycle	25.89%	3.10	-	3.28	0.94	5.44	1.68	-	0.76	0.53	1.91	3.53
Fire Safety Equipment	18.10%	10.37	-	-	-	10.37	5.82	-	0.83	-	6.65	3.72
Solar Plant	8.20%	72.49	-	-	-	72.49	21.06	-	4.22	-	25.28	47.21
TOTAL :		4,606.03	-	450.69	127.42	4,929.30	3,171.80	-	285.38	120.58	3,336.60	1,592.70
PREVIOUS YEAR :		-	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, 2026	As on 31 st March, 2025
a) Capital Advances (Unsecured and considered good)	-	-
b) Security Deposits	52.93	34.90
c) Other Loans & Advances	-	34.90
TOTAL :	52.93	34.90

Note 14
OTHER NON CURRENT ASSETS

(Miscellaneous Expenses to the extent not written off)

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
a) Preoperative Expenses	1.88	2.51
b) Demerger Expenses	111.86	-
TOTAL :	113.74	2.51

Note 15
INVENTORIES

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

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Raw Material	935.82	848.61
Consumable Stores	20.43	21.70
Work In Progress	272.00	264.92
Finished Goods	898.65	1013.12
Trading Goods	15.89	11.86
Scrap Material (At Estimated Realisable Value)	0.13	2.44
TOTAL :	2142.92	2162.65

Note 16
TRADE RECEIVABLES

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
a) Secured & Considered Good	-	-
b) Unsecured & Considered Good	3656.88	2862.49
c) Considered Doubtful	-	2862.49
(Refer Note No. 42 for Trade Receivables ageing Schedule)		
TOTAL :	3656.88	2862.49

Note 17
CASH AND CASH EQUIVALENTS

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Cash in Hand (As certified by the Management)	0.07	6.32
Balances with Bank	453.26	74.05
Other Bank Balances	1.34	80.37
TOTAL :	454.67	80.37

Note 18
SHORT TERM LOANS AND ADVANCES

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Advances with the Suppliers	6.40	347.02
Loans & Advances to Staff	12.10	12.67
Other Advances	9.17	8.99
TOTAL :	27.67	368.68

Note 19
OTHER CURRENT ASSETS

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
Advances with Revenue Authorities	2005.01		1648.88	
Other Debit Balances	3.19	2008.20	29.14	1678.02
TOTAL :		2008.20		1678.02

Note 20
REVENUE FROM OPERATIONS

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
1. Domestic Sale				
Sale of Taps & Tools				
a) Sales	16265.19		12,911.51	
b) Deemed Export Sales (SEZ)	32.62		24.35	
Total:-	16297.81		12,935.86	
Less : CGST Receipts	437.71		357.92	
: SGST Receipts	437.71		357.92	
: IGST Receipts	1605.71		1,252.89	
: Discount & Rate Difference	231.68		204.05	
: Sales Return	73.84		40.86	
: T.C.S. Receipts	0.01	13511.15	5.42	10716.80
2. Export Sale				
a) Sale of Taps & Tools	828.21	828.21	897.66	897.66
3. Trading Sale				
a) Trading Sale	40.32		5.98	
Less : CGST, SGST, IGST & TCS	6.15		0.91	
Less : Sales Return	1.28	32.89	0.12	4.95
4. Scrap Sale				
a) Scrap Sale	77.52		42.34	
Less : CGST, SGST, IGST & TCS	12.37	65.15	6.76	35.58
TOTAL :		14437.4	-	11654.99

Note 21
OTHER INCOME

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
Duty Draw Back Receipts		14.10		15.21
Rodtep Duty Receipts		9.13		10.25
Exchange Rate Fluctuation		22.71		5.00
F.D.R. Interest Received		2.72		0.25
Interest Received		2.89		1.84
Profit on Sale of Fixed Assets		0.10		0.05
Dividend Received		6.96		-
Reimbursement of Gratuity		17.34		-
Sundry Balance Written off		1.24		
Sales Tax Refund Received		-		0.17
Excess provision of stipend		-		1.04
Short Term Capital Gain		-	4.65	
Less : Short Term Capital Loss		-	0.90	3.75
Short Term Capital Gain on Mutual Fund	101.30		-	-
Less : Short Term Capital Loss on Mutual Fund		101.30		
TOTAL		178.49		37.56

Note 22

CHANGES IN INVENTORY

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
1. Finished Goods :				
Opening stock	1013.12			
Add : Finished Goods stock transfer	-		908.12	
Less : Closing stock	898.65	114.47	1,013.12	(105.00)
2. Work-In-Progress :				
Opening stock	264.92		-	
Add : WIP Goods stock transfer	-		107.52	
Less : Closing stock	272.00	(7.08)	264.92	(157.40)
3. Scrap Material :				
Opening stock	2.44		-	
Add : Scrap Material Stock transfer	-		2.48	
	2.44		2.48	
Less : Closing stock	0.13	2.31	2.44	0.04
TOTAL :		109.70		(262.36)

Note 23

COST OF RAW MATERIAL CONSUMED

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
Opening Stock	848.61		-	
Add : Raw Material Stock transfer	-		579.10	
Add : Purchase of Raw Material	1630.58		2,119.02	
Add : Purchase of HSS Taps	16.04		27.32	
	2495.23		2,725.44	
Less : Closing Stock of Raw Material	935.82	1559.41	848.61	1,876.83
TOTAL :		1559.41		1,876.83

Note 24

COST OF STORES CONSUMED

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
Opening Stock	21.7		-	
Add : Consumable Store Stock transfer	-		27.03	
Add : Purchase of Consumable Stores	238.91		222.44	
Less : Closing stock of Consumable Stores	20.43	240.18	21.70	227.77
TOTAL :		240.18		227.77

Note 25

COST OF PACKING MATERIAL CONSUMED :

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
Purchases		121.94		116.94
TOTAL :		121.94		116.94

Note 26
COST OF TRADING GOODS CONSUMED

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Opening Stock	11.86	-
Add : Trading Goods Stock transfer	-	12.51
Add : Purchase of Trading Goods	30.55	5.45
Less : Closing stock of Trading Goods	15.89	11.86
TOTAL :	26.52	6.10

Note 27
MANUFACTURING EXPENSES :

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Building Repairs	8.53	16.73
Electricity Charges	235.91	212.81
Freight & Octroi	8.42	8.32
Job Work Expenses	2543.6	2051.84
Repairs and Maintenance	124.44	124.14
Testing Expenses	0.33	0.12
Water Charges	2.71	2.11
Generators Expenses	0.10	-
TOTAL :	2924.04	2416.07

Note 28
SHARES EXPENSES :

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Security Transaction Tax	0.22	1.12
Stamping Charges	0.81	0.24
Transaction Charges	0.11	0.04
Share Expenses	0.01	-
SGST & CGST on Shares	0.69	0.27
TOTAL :	1.84	1.67

Note 29
EMPLOYEE BENEFIT EXPENSES :

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Bonus	29.74	26.07
E. S. I. C.	0.22	0.77
Exgratia	29.66	20.17
Gratuity	-	6.16
Incentive A/c.	128.80	105.62
Labour Welfare	15.84	15.45
Leave with Wages	2.17	2.19
Medical Expenses	0.62	0.71
Provident Fund	17.03	16.06
Salary and Wages	468.21	412.80
TOTAL :	692.29	606.00

Note 30

ADMINISTRATION EXPENSES :

Particulars	As on 31 st March, 2026		As on 31 st March, 2025	
Profession Tax	0.03		0.05	
Bank Charges	2.03		5.73	
Books and Periodicals	0.07		0.04	
CSR Expenses	57.28		-	
Car Expenses	5.82		6.55	
Computer Software Expenses	3.44		5.91	
Conveyance Expenses	22.94		21.16	
Consultancy Fees	7.81		3.85	
Demerger Expenses Written off	27.97		-	
Director Travelling Expenses	2.31		24.60	
Donation	0.14		0.18	
Insurance	9.44		10.86	
Interest on Service Tax, GST & TDS	1.09		0.36	
Internet / Website Expenses	2.81		3.37	
Legal and Professional Expenses	12.59		9.73	
Licence Fees	0.03		0.15	
Listing Expenses	2.69		4.00	
Loss on Sale of Rodtep Duty Licence	0.41		0.19	
Membership Fees and Subscription	2.16		2.85	
Office Expenses	10.77		7.53	
Preoperative Expenses Written Off	0.63		0.63	
Postage & Telegram Expenses	1.93		2.74	
Printing and Stationery	8.91		9.02	
Rent, Rates and Taxes	7.91		6.71	
Security Service Charges	8.39		8.27	
Sundry Balances W/Off	-		14.00	
Telephone Expenses	2.58		2.91	
Fixed Assets Written Off	3.89		-	
GST Audit Fees	0.54		-	
GST Expenses	0.06			
Traveling Expenses	15.83	222.50	23.41	174.80
Payment to Directors				
- For Remuneration	238.03		178.75	
- For Salary	39.00		36.00	
- For Sitting Fees	0.55	277.58	0.73	215.48
Payment to Auditors				
- For Audit	1.00		1	
- For Taxation	-		-	
- For Consultancy & Others	-	1.00	-	1.00
TOTAL :		501.08		391.28

Note 31
SELLING AND DISTRIBUTION EXPENSES :

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Advertisement	15.33	22.04
Carriage Outward	88.15	67.09
Commission on Sales	79.66	31.91
Entertainment Expenses	0.41	0.90
Hospitality Expenses	0.41	0.63
Sales Promotion	9.74	8.56
Sales Promotion & Consultancy Charges	23.99	18.38
TOTAL :	217.69	149.51

Note 32
FINANCE COST :

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Bank Interest	0.74	8.94
Interest on Term Loan	-	0.22
TOTAL :	0.74	9.16

Note 33
DEPRECIATION & AMORTISATION EXPENSES :

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Depreciation for the Year	285.38	195.23
Less:- Depreciation reversed	-	285.38
TOTAL :	285.38	195.23

Note 34
INCOME TAX EXPENSES :

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
Current Year Income Tax Provision	2023.00	1,501.00
Add : Tax for Earlier Year	-	-
: Short Provision of Income Tax of Earlier Year	13.24	-
Less : Excess provision of income Tax Earlier Year	-	-
TOTAL :	2036.24	1501.00

Note 35
EARNING PER SHARE

Particulars	As on 31 st March, 2026	As on 31 st March, 2025
(A) Profit for the Year	5871.68	4448.64
(B) Weighted Average Number of Shares	10671300	10671300
Basic Earning Per Share (In Rs.)	55.02	41.69
Diluted Earning per Share (In Rs.)	55.02	41.69

Particulars	As on 31 st March, 2026			As on 31 st March, 2025		
	TOOLS	OTHERS	TOTAL	TOOLS	OTHERS	TOTAL
Revenues						
Sales to External Customers	14,507.64	108.25	14,615.89	11,688.80	3.75	11,692.55
Total Segmental Revenues	14,507.64	108.25	14,615.89	11,688.80	3.75	11,692.55
Segmental Result						
Profit before Interest	7832.51	103.31	7935.82	5,965.49	2.02	5,967.51
(net of allocated corporate expenses)						
Less: unallocated corporate expenses						
(Net of Other Income)						
Operating Profit	7,832.51	103.31	7,935.82	5,965.49	2.02	5,967.51
Interest (net of income)	0.74	-	0.74	9.16		9.16
Profit before Tax	7,831.77	103.31	7,935.08	5,956.33	2.02	5,958.35
Provision for Tax						
- Current Tax	2,012.09	24.15	2,036.24	1,500.54	0.46	1,501.00
- Deferred Tax	27.16	-	27.16	8.71		8.71
Profit from Ordinary Activities	5,792.52	79.16	5871.68	4,447.08	1.56	4,448.64
Extraordinary Items						-
Net Profit	5,792.52	79.16	5871.68	4,447.08	1.56	4,448.64
Particulars	As on 31 st March, 2026			As on 31 st March, 2025		
	TOOLS	OTHERS	TOTAL	TOOLS	OTHERS	TOTAL
Other Information						
Segmental Assets	10082.08	7709.47	17791.55	8,624.46	2,420.47	11,044.93
Unallocated Corporate Assets						
Total Assets	10082.08	7709.47	17791.55	8,624.46	2,420.47	11,044.93
Segmental Liabilities	1698.76	-	1698.76	1,169.34	0.05	1,169.39
Unallocated Corporate Liabilities						
Total Liabilities	1698.76	-	1698.76	1,169.34	0.05	1,169.39
Capital Expenditure during the year	450.69	-	450.69	483.49	-	483.49
(Including Movement in CWIP)						
Depreciation & Amortisation Exps.	285.38	-	285.38	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, 2026
- 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 IND AS adopted in the standalone 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 2026	As on 31 st March 2025
Salary Allowances & Others	675	583
Defined contribution plan	17	17
Defined benefit plan/other long term benefits	-	6
Share based compensation	-	-
Total	692	606

Note 38
INCOME TAXES

The major components of the Income Tax Expenses are Follows :

Particulars	As on 31 st March 2026	As on 31 st March 2025
<u>Current Income Tax</u>		
in India	2023	1501
Overseas	-	-
Deferred Tax		
Relating to origination and reversal of temporary differences	27.16	8.71
Relating to changes in tax rates	-	-
Tax expense attributable to current year's profit (A) :-	2050.16	1509.71
Adjustments in respect of income tax of previous year :		
Current income tax		
in India	13.24	-
Overseas	-	-
Total (B) :-	13.24	-
Total (A+B) :-	2063.40	1509.71

The company during the Period has earned a profit of Rs. 7935.08 Lakhs, A provision of Rs. 2023.00 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, 2026 and Year ended March 31st, 2025, 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 2026	As on 31 st March 2025
a. Transactions for the period		
Nagpur Tools Pvt. Ltd.:-		
Job Work Expenses (Gross Including Taxes)	1630.16	1293.49
Adishree Engineering Pvt. Ltd.		
Job Work Expenses (Gross Including Taxes)	146.82	96.28
Emkay Taps & Cutting Tools Ltd. :-		
Sales (Gross Including Taxes)	5.22	414.81
Closing Balance	As on 31 st March 2026	As on 31 st March 2025
Due from		
Emkay Taps and Cutting Tools Limited	-	25.95
Due to:-		
Ajayprakash Kanoria	180.61	119.87
Nagpur Tools Pvt. Ltd.	319.87	-
Adishree Engineering Pvt. Ltd.	34.08	

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 2026	As on 31 st March 2025
1) Ajayprakash Kanoria		
Salary	39.00	36.00
Remuneration	238.03	178.75
2) Sumit Gaidhane		
Salary	8.01	6.37
3) Riya Sarang Agrawal		
Salary	4.80	2.19
Total	289.84	223.31

Note 41
CONTINGENCIES

Particulars	Year Ended March 31 st , 2026	Year Ended March 31 st , 2025
(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	374.18	-	0.49	-	374.67
(ii) Others	423.76	-	-	-	423.76
(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	3614.75	10.98	8.86	4.77	17.32	3656.88
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-

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 , 2026	As on March 31 st , 2025	% Change in Ratio
1. Current Ratio	2.228	2.678	-16.83%
2. Debt - Equity Ratio	-	0.009	-100%
3. Debt Service Coverage Ratio	105.94	284.49	-62.76%
4. Return on Equity Ratio	41.87%	53.24%	-21.36%
5. Inventory Turnover Ratio	6.71	10.78	-37.78%
6. Net Capital Turnover Ratio	3.19	5.20	-38.69%
7. Net profit Ratio	40.67%	38.17%	6.55%
8. Return on Capital Employed	56.40	71.26%	-20.85%

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 is required to undertake expenditure in respect of Corporate Social Responsibility (CSR). Disclosure in respect of CSR is as follows: The Company is spending in various Healthcare, education of needy persons and environment protection as a part of its CSR activities.

Particulars	Amount	Amount
A) Gross amount required to be spent by the Company during the year	Rs. 59.54 Lakhs	NA
B) Amount spent by the Company during the Year	Rs. 57.28 Lakhs	NA
C) Shortfall at the end of the year (Other than Ongoing projects)	Rs. 2.26 Lakhs	-
TOTAL	-	-

The Company spent the aforesaid amount during the year towards CSR activities. The balance amount of Rs. 2.26 lakhs remained unspent as at 31 March 2026 and shall be transferred to a fund specified under Schedule VII within the time prescribed under Section 135(5) of the Companies Act, 2013.

Note 45

UNPAID DIVIDEND

During the year, the Company declared dividend aggregating to Rs. 266.78 (In Lakhs). Out of the same, dividend amounting to Rs. 1.34 (In Lakhs) remained unpaid/unclaimed as on 31 March 2026 and has been transferred to a designated Unpaid Dividend Account held with ICICI Bank Ltd in accordance with Section 124 of the Companies Act, 2013.

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

 **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 : 29/05/2026
 UDIN : 26127522DVMZJR6557

Third 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 [Third Annual General Meeting](#) of the Company being held on [Friday September 25, 2026 at 11:00 a.m.](#) at B-27 & 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 LTD

Third 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-277B-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 **Third Annual General Meeting of the Company being held on Friday, September 25, 2026 at 11:00 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

- To Consider and adopt the Audited financial statement of the Company for the year ended on March 31, 2026 together with the report of Board of Directors and Auditors thereon."
- To consider re-appointment of Mr. AjayPrakash Kanoria (DIN: 00041279), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment
- To declare final dividend for the financial year 2025-26 @ Rs. 3.00/- per Equity Shares of Face Value of Rs. 1/- each.

SPECIAL BUSINESS:

- To consent and approve Related Party Transaction with Nagpur Tools Private Limited.

Signed this _____ day of _____ 2026

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

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

MAP FOR AGM VENUE



EMKAY 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 LTD

EMKAY TOOLS LIMITED

:: Factory Premises & Registered Office:

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