

Shaping up **future growth**

Akar Tools Limited | Annual report 2016-17

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Corporate Information

BOARD OF DIRECTORS

Mr. R.L. Gupta - *Chairman*
Mr. Sunil Todi - *Managing Director*
Mr. N.K. Gupta - *Non Executive Director*
Mr. P. M. Nijampurkar - *Whole Time Director*
Mr. V K Chopra - *Independent Director*
Mr. S. N. Shukla - *Independent Director*
Mrs. Shilpa Sharma - *Independent Director*

COMPANY SECRETARY

Mr. Mitesh Gadhiya

BANKERS

Canara Bank

REGISTERED OFFICE

304, Abhay Steel House
Baroda Street, Carnac Bunder
Mumbai - 400009.
Maharashtra

ADMINISTRATIVE AND CORPORATE OFFICE

E-5, MIDC Area, Waluj
Aurangabad-431136
Maharashtra.

FACTORIES

Unit I: E-5, MIDC Area, Waluj, Aurangabad,
M.S – 431136
Unit II: C-5/6, MIDC Area, Waluj, Aurangabad,
M.S - 431136

Unit III: Gut No. 24-25, Paithan Road, Chitegaon,
Aurangabad, M.S – 431107
Unit IV: Plot No. G-45-46, MIDC, Chikalthana Jalna
Road, Aurangabad, M.S - 431210

STATUTORY AUDITORS

M/s A. K. Bagadia & Co.
37, Sopariwala House, 293,
Princess Street, Marine Lines,
Mumbai - 400002

REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Private Limited.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Apt. Marol Maroshi Road,
Andheri East, Mumbai-400059

For any queries regarding Annual Report, contact:

Mr. Mitesh Gadhiya
Head, Legal & Secretarial
Akar Tools Limited
E-5, MIDC Area, Waluj, Aurangabad, M.S -431136
Tel No. 0240-6647200
Fax No. 0240-2554640
E-Mail Id: corporate@akartoolsltd.com

Notice to Members

NOTICE is hereby given that the Twenty-Eighth Annual General Meeting of the Members of Akar Tools Limited will be held on Friday, 22nd day of September 2017 at 11.00 A.M. at Y. B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai-400021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and the Statement of Profit and Loss along with Cash Flow Statement and Notes to Accounts for the year ended 31st March 2017 together with Board's Report and Auditor's Report thereon.
2. To declare dividend for the Financial Year ended 31st March, 2017.
3. To appoint a Director in place of Mr. P. M. Nijampurkar (holding DIN 0001805132), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration, and, if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. Jaju and Kabra, Chartered Accountants, Aurangabad (Firm Registration No. 140398W), be appointed as statutory auditors of the Company, in place of retiring auditors M/s. A. K. Bagadia & Co., Chartered Accountants (Firm Registration No.100846W), to hold office from the conclusion of this 28th Annual General Meeting (AGM) until the conclusion of the 33rd AGM to be held in the year 2022, subject to ratification by members every year, as applicable, at such remuneration and other terms and conditions, as may be agreed upon between the Board of Directors of the Company and M/s Jaju and Kabra, Chartered Accountants."

SPECIAL BUSINESS:

5. **Fixation of the remuneration of the Cost Auditors of the Company for the financial year 2017-18.**

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 148 (3) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and on the recommendation of Board of Directors, consent of the members be and is hereby accorded for the payment of remuneration of ₹55,000/- (Rupees Fifty Five Thousand Only) plus taxes as applicable and on terms and conditions as may be mutually agreed between the Board of Directors and M/S B. R. Chandak & Associates, Cost Accountants, Cost Auditors of the Company for the financial year commencing from 1st April, 2017 till 31st March, 2018".

6. **Change of name of the Company from Akar Tools Limited to Akar Auto Industries Limited.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 13 and 4 of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014, subject to approval of the Central Government (power delegated to Registrar of Companies) and any other Regulatory Authorities as may be necessary, consent of the members be and is hereby accorded to change the name of the Company from "AKAR TOOLS LIMITED" to "AKAR AUTO INDUSTRIES LIMITED" or any other name as may be approved by the Central Government, Registrar of Companies,

and other Regulatory Authorities, whether under the Companies Act, 2013 or any other Rules, Laws, Acts, Statutes or Regulations as may be applicable to the Company.

RESOLVED FURTHER THAT in terms of Section 14 of the Companies Act, 2013 the Articles of Association of the Company be altered by deleting the existing name of the Company wherever appearing and substituting it with the new name of the Company.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof be and is hereby authorized to accept any other name approved by the relevant Regulatory Authorities and seek approval for the change in the name of the Company accordingly without making any further reference to the members for their approval."

7. **Sub-Division of One Equity Shares from the Face Value of ₹10/- per share to ₹5/- per share.**

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 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and in accordance with Article 55 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions, if any, required from any authority and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall also include any Committee thereof), consent of the Members be and is hereby accorded to sub-divide each Equity Share of the Company having Face value of ₹10/- (Rupees Ten only) into 2 (Two) Equity Shares of Face value of ₹5/- (Rupees Five only) each fully paid-up and consequently, the Authorized Share Capital of the Company of ₹10,00,00,000/- (Rupees Ten Crores only) would comprise of 2,00,00,000 (Two Crores) Equity Shares of ₹5/- (Rupee Five only)

each with effect from the "Record Date" to be determined by the Board for this purpose.

RESOLVED FURTHER THAT pursuant to the sub-division of the Equity Shares of the Company each Equity Share of the Face value of ₹10/- (Rupees Ten only) as existing on the Record Date shall stand sub-divided into 2 (Two) Equity shares of the Face value of ₹5/- (Rupees Five only) each fully paid-up, with effect from the record date.

RESOLVED FURTHER THAT on sub-division, the 2 (Two) Equity Shares of the Face value of ₹5/- (Rupee Five only) each be issued in lieu of one Equity Share of ₹10/- (Rupees Ten only) each, subject to the terms of Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid Equity Shares of ₹10/- (Rupees Ten only) each of the Company.

RESOLVED FUTHER THAT upon sub-division of Equity Shares of the Company as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of Face value of ₹10/- (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date of sub-division. The Company may, without requiring the surrender of existing share certificate(s) directly issue and dispatch the new share certificate(s) of the Company in lieu of such existing share certificate(s) within the period prescribed or that may be prescribed in this behalf from time to time and in the case of shares held in dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Share before sub-division.

RESOLVED FURTHER THAT the Board be and is hereby authorized to fix a Record Date and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute

all deeds, applications, documents and writings that may be required, on behalf of the company and generally to do all such acts, deeds, matters and things and to give such directions as may be necessary, proper and expedient or incidental for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any Committee thereof as it may deem appropriate in this regard.”

8. **Alteration of the Memorandum of Association of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Clause I of the Memorandum of Association of the Company be and is hereby altered by substituting the following:

I. The Name of the Company is AKAR AUTO INDUSTRIES LIMITED.

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following:

V. The Share Capital of the Company is ₹10,00,00,000/- (Rupees Ten Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹5/- (Rupees Five) each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company. The Company shall have power to increase or reduce or consolidate or sub-divide the capital of the Company for the time being and from time to time divide the shares of the new capital into several classes and denomination and to issue any shares of the original or new capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached

thereto respectively including rights to dividends in the distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Companies Act, 2013 for the time being.

RESOLVED FURTHER THAT the Board of Directors of the Company (“the Board”), (which expression shall also include a Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and steps as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board to any Committee thereof or to the Managing Director or Company Secretary, to give effect to the aforesaid resolution.”

9. **Alteration of the Articles of Association of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and Schedule I made there under, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, the Articles of Association of the Company be altered by deleting the existing name of the Company ‘Akar Tools Limited’ wherever appearing and substituting it with the new name of the Company ‘Akar Auto Industries Limited’.

RESOLVED FURTHER THAT the Board of Directors of the Company (“the Board”), (which expression shall also include a Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and steps as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board to any Committee thereof or to the Managing Director or Company Secretary, to give effect to the aforesaid resolution.”

10. **Approval for Material Related Party Transactions.**

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 the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to ratify/ approve all existing contracts / arrangements/ agreements and to enter into contract(s)/ transaction(s) with R. L. Steels & Energy Limited and Akar Industries Private Limited, related parties within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten per cent of the annual turnover of the Company as per audited financial statements for the Financial Year 2016-17; having the following details and as detailed in the Explanatory Statement annexed hereto:

| Sr. No. | Name of Related Party | Nature of Transaction | Period of Contract / Arrangement | Amount (₹ In Lakhs) |
|---------|---------------------------------|--------------------------|-----------------------------------|---------------------|
| 1 | R. L. Steels & Energy Limited | Sale of Scrap / Others | 1st April 2017 to 31st March 2018 | 2,500.00 |
| | | Purchase of Raw Material | | 15,000.00 |
| 2 | Akar Industries Private Limited | Purchase of Raw Material | 1st April 2017 to 31st March 2018 | 6,000.00 |

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and be authorized to approve aforesaid transactions and the terms & conditions thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to the above Resolution.”

Date: 10th August 2017

Place: Aurangabad

By order of the Board

Sd/-

MITESH GADHIYA
(Company Secretary)

NOTES FOR MEMBERS' ATTENTION

As Akar Tools Limited, being a listed company and having more than 1,000 shareholders, is compulsorily required to provide remote e-voting facility to members in terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 28th AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORMS, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Members/Proxies should bring the attendance slips duly filled-in for attending the meeting and deliver the same at the entrance of the meeting place. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2017 to 22nd September, 2017 (both days inclusive).The dividend, if declared, will be paid to those members whose name appears on the Register of Members of the Company as on 15th September, 2017.
5. An explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Businesses to be transacted at the Annual

General Meeting is attached hereto.

6. Members holding the shares in electronic form are advised to get their bank mandate updated with their respective Depository Participant as the bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend. Members holding the shares in physical form are requested to write to the Company for the registration or change of bank mandates for the payment of Dividend.
7. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company earlier.
8. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding the shares in physical form can submit their PAN details to the Company.
9. Members seeking further information about the accounts are requested to write at least 7 days before the date of the meeting so that it may be convenient to get the information ready at the meeting.
10. Members are requested to bring their copies of Annual Report to the meeting, as the same will not be supplied again at the meeting as a measure of economy.
11. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company as required vide circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs and to avail remote e-voting facility in respect of the resolutions which would be passed at the General Meetings of the Company.
12. Members are requested to send all their documents and communication pertaining to shares to Big Share Services Private Limited , Share Transfer Agent of the Company at their address 1st Floor, Bharat

Tin Works Building, Opp. Vasant Oasis Apt., Marol Maroshi Road, Andheri East, Mumbai-400059, for both physical and demat segments of equity shares.

13. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Big Share Services Pvt Ltd for their doing needful.
14. Members are requested to notify change in address, if any, immediately to Big Share Services Pvt Ltd quoting their folio numbers.
15. As per the provisions of Section 72 of Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to cancel the earlier nomination and record fresh nomination, he / she may submit the same in Form No. SH-14. Both forms can be downloaded from Company's website www.akartoolsltd.com under the 'Investor' Section. Members holding shares in physical form are requested to submit the shares to the Company. Members holding shares in electronic form may submit the forms to their respective Depository participant.
16. Members are hereby informed that after the amendment of the erstwhile Companies Act, 1956 w.e.f. 31st October, 1998, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ('the Fund') established by the Central Government. Sections 124 and 125 of the Companies Act, 2013 ('the Act'), read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), applicable w.e.f. 7th September, 2016, also make similar provisions for transfer of unclaimed/ unpaid dividend to the Fund.

As per the above provisions, unclaimed/ unpaid dividend up to the financial year ended 31st March, 2009 has been transferred by the Company to the Fund. Members who have not yet encashed their

dividend warrant(s) for any subsequent financial years are requested to make their claims to the Company without any delay.

It may be noted that unclaimed dividend for the financial year 2009-10 declared on 24th September, 2010, can be claimed by the Members by 23rd September, 2017.

Members are also requested to note that, pursuant to the provisions of Section 124 of the Act and the IEPF Rules, the Company is obliged to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to an IEPF Demat Account.

Members/ claimants whose shares or unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF- 5 (available on iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. The Member/ Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

In order to help Members to ascertain the status of unclaimed dividends, the Company has uploaded the information in respect of unclaimed dividends for the financial year ended 31st March, 2010 and subsequent years on the website of Investor Education and Protection Fund, www.iepf.gov.in and under 'Investor' Section on the website of the Company, www.akartoolsltd.com.

17. Information relating to the Director(s) retiring by rotation and seeking re-appointment at this Meeting, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this notice.
18. The Notice of the 28th Annual General Meeting and the Annual Report 2016-17 will also be available on the Company's website www.akartoolsltd.com for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering for e-communication, members are entitled to receive

such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: corporate@akartoolsLtd.com.

19. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the MCA circular, no gifts/coupons shall be distributed at the Meeting.

20. VOTING THROUGH ELECTRONIC MEANS:

- a. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Company (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an attentive mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 28th Annual General Meeting of the Company.
- b. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Friday, 15th September, 2017 (the "Cut-off Date") only shall be entitled to vote through remote e-voting and at the AGM. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on the Cut-off date.
- c. At the venue of AGM, voting shall be done through ballot papers and the members attending AGM who have not casted their vote by remote e-voting shall be entitled to cast their vote through Ballot papers.

d. The instructions for members for voting electronically are as under:-

- (i) The voting period begins on 19th September, 2017 at 9.00 a.m and ends on 21st September, 2017 at 5.00 p.m During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Akar Tools Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

- e. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- f. Mr. Nitin S. Sharma (COP No 9761), Practising Company Secretary has been appointed as Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- g. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot papers and thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within 24 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key

Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.

- h. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.akartoolsltd.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE.

By order of the Board

Sd/-

Date: 10th August 2017
Place: Aurangabad

MITESH GADHIYA
(Company Secretary)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO 5:

In Pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors (Board) shall appoint an Individual who is Cost Accountant in practice, as Cost Auditor on the recommendation of the Audit Committee, which shall also recommend remuneration for such auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board and ratified by the Members.

On recommendation of Audit Committee, the Board at their meeting held on 10th August, 2017 has considered and approved appointment M/s B. R. Chandak & Co, Cost Accountants, for conducting of Cost Audit of all applicable products at a remuneration of ₹55,000/- (Rupees Fifty Five Thousand Only) plus taxes as applicable for the Financial Year ending 31st March, 2018.

M/s. B. R. Chandak & Co has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the past several years.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution.

Your Directors recommend the Ordinary Resolution set

out at Item no. 5 for the approval of Members

ITEM NO 6:

The Board of Directors of the Company in its meeting held on 14th February, 2017 decided to change the name of the Company from 'Akar Tools Limited' to 'Akar Auto Industries Limited'. The Board of Directors are of the view that the Company does not only deals in manufacturing and trading of hand tools but it also deals in manufacturing and trading of auto components and the name of the Company should clearly indicate this fact. Thus name 'Akar Auto Industries Limited' is more appropriate than 'Akar Tools Limited' considering the business objects of the Company, market scenario and market competition.

The change in name of the Company as aforesaid does not change the legal status or constitution of the Company, nor does it affect any rights or obligations of the Company.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution.

Your Directors recommend the Special Resolution set out at Item no. 6 for the approval of Members

ITEM NO 7:

The Equity Shares of the Company are listed on the Bombay Stock Exchange (BSE). In order to enhance the investor base of the Company by encouraging the participation of small investors and also to improve the liquidity of the Company's shares in the stock market, the Board of Directors of the Company ('the Board') at their meeting held on 30th May, 2017, considered it desirable to recommend the sub-division of the nominal value of the equity share capital of the Company from ₹10/- per share to ₹5/- per share, subject to approval of members.

Accordingly, each paid up equity share of nominal value ₹10/- (Rupees Ten Only) each of the Company, existing on the Record Date as may be fixed by the Board of Directors, shall stand sub divided into 2 (Two) Equity Shares of Nominal Value of ₹5/- (Rupees Five only) each.

The Record Date for the aforesaid Sub Division of the equity shares will be fixed after the approval of the shareholders is obtained, pursuant to this Annual General Meeting.

At present, the Authorised Share Capital of the Company is ₹10,00,00,000 /- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of ₹10/- (Rupees Ten only) each. The issued, subscribed and paid up capital of the Company is divided into 53,94,005 (Fifty Three Lakhs Ninety Four Thousand and Five) equity shares of ₹10/- each amounting to ₹5,39,40,050/- (Five Crores Thirty Nine Lakhs Forty Thousand and Fifty only).

Upon sub-division, the Authorised Share Capital of the Company will be ₹10,00,00,000 /- (Rupees Ten Crores only) divided into 2,00,00,000 (Two Crore) Equity Shares of ₹5/- (Rupees Five only) each. The issued, subscribed and paid up capital of the Company will be divided into 1,07,88,010 (One Crore Seven Lakhs Eighty Eight Thousand and Ten) equity shares of ₹5/- each amounting to ₹5,39,40,050/- (Five Crores Thirty Nine Lakhs Forty Thousand and Fifty only).

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution.

Your Directors recommend the Ordinary Resolution set out at Item no. 7 for the approval of Members

ITEM NO 8 and 9:

The proposed change on name of the Company from 'Akar Tools Limited' to 'Akar Auto Industries Limited' as mentioned in Item No. 6 and proposed sub-division of the face value of Equity Shares of the Company from ₹10/- per share to ₹5/- per share as mentioned in Item No. 7 requires amendment of Clause I and Clause V respectively of Memorandum and Articles of Association

of the Company. Accordingly Clause I and Clause V of the Memorandum of Association of the Company are proposed to be amended as set out in Item No. 8

The proposed change of name of the Company from 'Akar Tools Limited' to 'Akar Auto Industries Limited' as mentioned in Item No. 6 requires amendment to the Articles of Association of the Company, as the name of the Company wherever it appears in the Articles of Association is required to be changed from 'Akar Tools Limited' to 'Akar Auto Industries Limited'. Therefore the resolution as mentioned in Item No. 9 is required to be passed at the ensuing Annual General Meeting.

A copy of the Memorandum and Articles of Association of the Company along with the proposed amendments shall be open for inspection at the Registered Office of the Company during normal business hours from 9 AM to 5 PM on all working days up to the date of ensuing Annual General Meeting.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution.

Your Directors recommend the Special Resolution set out at Item no. 8 and 9 for the approval of Members

ITEM NO 10:

Pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board and prior approval of the members by resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the Company in the ordinary course of business on an arm's length basis.

However, pursuant to regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the shareholders through Ordinary Resolution is required for all 'material' related party transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. The transactions to be entered into by the Company, together with transactions already entered into by the Company with R. L. Steels & Energy Limited and Akar Industries Private Limited, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to exceed 10% of the annual turnover of the Company as per the audited financial statements of the Company for the year ended 31st March, 2017:

| Sr. No. | Name of Related Party | Name of Director / KMP who is related | Nature of Relationship | Any other relevant information for the members |
|---------|---------------------------------|---------------------------------------|--|---|
| 1 | R. L. Steels & Energy Limited | Mr. R. L. Gupta Mr. N. K. Gupta | Mr. R. L. Gupta and Mr. N. K. Gupta are Directors and also hold more than 2 percent shares of R. L. Steels & Energy Limited. | The transactions are in the ordinary course of business and are at an arm's length basis. |
| 2 | Akar Industries Private Limited | Mr. N. K. Gupta | Mrs. Usha Gupta, is relative of Mr. N. K. Gupta and is Director of Akar Industries Private Limited. | |

The above transactions are approved by the Audit Committee as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In view the above, it is proposed to seek approval of the members of the Company through an Ordinary resolution for the above transactions and the related parties are abstained from voting on the resolution as set out at Item No. 10.

None of the Directors or Key Managerial Personnel or their relative(s), except Mr. R. L. Gupta and Mr. N. K. Gupta, Directors of the Company is/are in any way concerned or interested, in passing of the above mentioned resolution.

Your Directors recommend an Ordinary Resolution set out at Item no. 10 for the approval of Members

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief profile of Mr. P. M. Nijampurkar, eligible for re-appointment vide Item no. 3 of this Notice, is as follows:

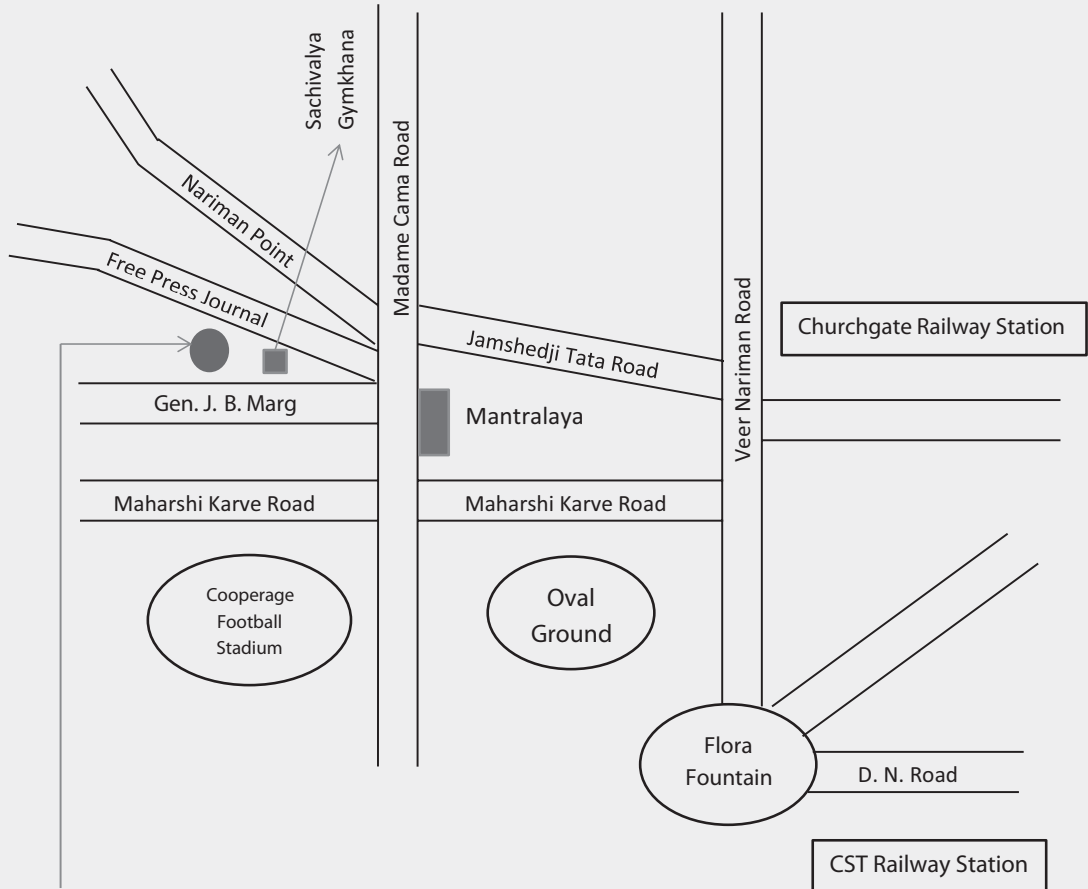
| Name of Director | Mr. P. M. Nijampurkar |
|--|--|
| DIN | 01805132 |
| Date of Birth | 13/07/1958 |
| Date of Appointment | 30/09/2016 |
| Qualification | MBA (HR) |
| Experience | 35 Years of vast experience in steel industries, hand tools industries & forging industries in the field of Human Resource |
| Expertise in specific functional area | Administration |
| List of other Directorship held in other listed companies | Nil |
| Chairman/ Member of the Committees of the Board of other Companies in which he is a Director | Nil |
| No. of shares held in Company | Nil |
| Relationship between Directors inter-se | Nil |

By order of the Board

Date: 10th August 2017
Place: Aurangabad

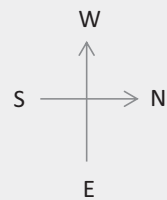
Sd/-
MITESH GADHIYA
(Company Secretary)

**ROUTE MAP TO THE VENUE OF THE 28TH ANNUAL GENERAL MEETING TO BE HELD
ON FRIDAY, 22ND SEPTEMBER, 2017.**



**Y.B. Chavan Centre,
General Jagannath Bhosle Marg,
Opp. Mantralaya, Nariman Point,
Mumbai-400021**

Not to scale



Directors' Report

To the Members,

Your directors have pleasure in presenting the Twenty-Eighth Annual Report on the business and operations of Company and the financial accounts for the year ended 31st March 2017.

FINANCIAL HIGHLIGHTS:

The financial highlights of your Company, for the year ended 31st March, 2017 are summarized below:

| Particulars | (₹ in Lakhs) | |
|---|----------------|----------------|
| | 31 March, 2017 | 31 March, 2016 |
| Net Revenue from Operations | 18973.07 | 18455.48 |
| Other Income | 12.03 | 15.52 |
| Profit before Tax and Exceptional Items | 386.81 | 283.83 |
| Exceptional Items | 15.33 | 0.05 |
| Profit before Tax | 402.14 | 283.88 |
| Profit After Tax | 261.92 | 183.55 |
| Balance Brought Forward | 1291.83 | 1189.21 |
| Amount available for Appropriation | 1553.75 | 1372.77 |
| Appropriations: | | |
| Dividend | 0.00 | 53.94 |
| Dividend Tax | 0.00 | 12.00 |
| General Reserve | 15.00 | 15.00 |
| Balance Carried Forward | 1538.75 | 1291.83 |
| | 1553.75 | 1372.77 |
| Earnings Per Share | 4.86 | 3.40 |

REVIEW OF OPERATIONS

The business in which company is operating was challenging during the year, due to change in economic condition and various government policies and decisions. In spite of all these challenges, the company has been able to overcome smoothly. The company registered total turnover of ₹18,973.07 Lakhs as compare to ₹18,455.48 Lakhs in the previous year. The Profit after Tax was ₹261.93 Lakhs for the year under review as against ₹183.55 Lakhs. in the previous year registering a growth of 42.70%.

COMPANY'S PERFORMANCE

The Company mainly manufactures automobile parts for heavy commercial vehicles as well as passenger vehicles. The

Company's endeavour is to leverage its technology to meet the needs of the market and strengthen its position in its area of business. The performance of the company was affected due to weakening demand which was experienced due to demonetization and implementation of BS-4. Despite all difficulties, the company was able to register growth of 42.70% as compared to previous year mainly due to various cost reduction measure taken by the company. The company remains committed to deliver superior customer service by doing more value addition in products and also by strengthening its market reach and widening its geographic foot prints. The clear strategic focus and well executed operation plan enable the Company to take on revealing the challenges.

DIVIDEND

The Board of Directors have recommended a dividend of 11% i.e. ₹1.10/- per share on 53,94,005 equity shares of ₹10/- each for the year 2016-17, subject to the approval of the Shareholders at the Annual General Meeting of the Company to be held on 22nd September, 2017.

FINANCIAL STATEMENTS

Full version of the Annual Report 2016-17 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, Corporate Governance Report) are being sent via email to all shareholders who have provided their email address(es).

Full version of Annual Report 2016-17 is also available for inspection at the registered office of the Company during working hours upto the date of ensuing Annual General Meeting (AGM). It is also available at the Company's website at www.akartoolsLtd.com.

SHARE CAPITAL

The paid up equity share capital as on 31st March, 2017 was ₹5,39,40,050/- divided into 5394005 equity shares of face value of ₹10/- each. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

TRANSFER TO RESERVES

(₹ in Lakhs)

| Particulars | 31 March, 2017 |
|---|----------------|
| General Reserve: | |
| Balance as per last financial statements | 315.19 |
| Add: Amount transferred from statement of Profit and Loss | 15.00 |
| Closing Balance | 330.19 |

INVESTOR EDUCATION AND PROTECTION FUND

Dividend which was declared by the Company for the year ended 31st March, 2010 at the Annual General Meeting held on 24th September, 2010 and remain unclaimed will be transferred to the Investor Education and Protection Fund of the Central Government on 29th October, 2017 pursuant to the provisions of Companies Act, 2013. Thereafter no claim shall lie on dividend for the year ended March, 2010 from the shareholders.

SUBSIDIARIES

The Company does not have any subsidiary within the meaning of the Companies Act, 2013.

CREDIT RATING

During the period under review the rating committee

of Brickwork, after due consideration, assigned a long term credit rating of BWR BBB- (pronounced as BWR Triple B Minus) and a short term credit rating of BWR A3 (pronounced as BWR A Three) to the line of credit facility enjoyed by the Company. The outlook on the long term and short term rating is stable.

PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this Report as ANNEXURE I.

THE CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EARNINGS AND OUTGO

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given in ANNEXURE II which forms part of this Report.

STATUTORY AUDITORS

In the Twenty-Fifth Annual General Meeting of the Company held on 29th September, 2014, M/s A. K. Bagadia & Co., Chartered Accountants (Firm Registration No. 100846W), were appointed as the Statutory Auditors of the Company to hold office until the conclusion of the Twenty-Eighth Annual General Meeting subject to ratification of the members in every Annual General Meeting. Therefore the term of the Current Statutory Auditors expires at the conclusion of the ensuing annual general meeting. The Current Statutory Auditors cannot be re-appointed for the next term as per the provisions of Section 139 of the Companies Act, 2013.

Board of Directors at its meeting held on 10th August, 2017, based on the recommendation of the Audit Committee has recommended the appointment of M/s Jaju & Kabra, Chartered Accountants, Aurangabad (Firm Registration No. 140398W) as the Statutory Auditors of the Company in place of retiring statutory auditors M/s. A. K. Bagadia & Co.

M/s Jaju & Kabra, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3) (g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms

of section 143 of the Act.

M/s Jaju & Kabra, Chartered Accountants, Aurangabad will be appointed as the statutory auditors of the Company from the conclusion of the ensuing annual general meeting till the conclusion of the Thirty-Third annual general meeting to be held in the year 2022, subject to ratification of their appointment by the members at every intervening annual general meeting on a remuneration, out-of-pocket expenses etc., incurred in connection with the audit as may be decided by the Board in consultation with the auditors from year to year.

The members are therefore requested to appoint M/s Jaju & Kabra, Chartered Accountants, Aurangabad, as statutory auditors of the Company for a term of five years from the conclusion of the ensuing annual general meeting till the conclusion of the Thirty-Third annual general meeting, to be held in 2022, subject to ratification at each annual general meeting and to fix their remuneration for the year 2017-18.

STATUTORY AUDITORS COMMENTS IN THEIR REPORT

The Statutory Auditors have made certain disclaimer of opinion in his report. The disclaimers made by the Statutory Auditors are as follows:

1. Under the heading 'Matters of Emphasis' it is stated that:

Note No. 40 to the Standalone Financial Statements relating to overdue from a debtors of a sum of ₹74,92,550/- and the management assessment for the recovery is subject to uncertainty and which if do not materialise, could significantly impact the carrying values of the debtors.

2. Under the heading 'Report on other Legal and Regulatory Requirements' in point no. 2(d) it is stated that:

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 save and except AS15 for employees' benefits as per Note No 23.

3. Under point no. vii of Annexure A to the Independent Auditors Report it is stated that:

The Company is generally regular in depositing

undisputed statutory dues including provident fund, Investors' Education And Protection Fund, Employees' State Insurance, Income Tax, Sales Tax including Value Added Tax, Wealth Tax, Service Tax, Entry tax, Duty Of Customs, Duty Of Excise, Cess and other material statutory dues as applicable to each of them respectively, with the appropriate authorities except ₹9.73 Lakhs which is outstanding as on 31st March 2017 on account of dividend distribution tax.

BOARD'S RESPONSE ON THE STATUTORY AUDITORS COMMENTS:

1. Response to Point No. 1 mentioned above:

₹74,92,550/- is receivable from a debtor, however provision for the same is not taken in books of accounts.

2. Response to Point No. 2 mentioned above:

Liability in respect of retirement benefits to employees are accounted for on actual payment basis. No provision is being made in the books of accounts for liabilities on actuarial valuation as required by AS-15.

3. Response to Point No. 3 mentioned above:

The Company is in process of making the outstanding payment towards dividend distribution tax

SECRETARIAL AUDITORS

As per the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed M/s Nitin S. Sharma & Associates (CP No. 9761), Practising Company Secretaries, Aurangabad to undertake the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report in Form No MR-3 for the Financial Year 2016-17 is annexed herewith as ANNEXURE III and forms a part of this report.

SECRETARIAL AUDITORS COMMENTS IN THEIR REPORT:

The Secretarial Auditors have made certain disclaimer of opinion in his report. The disclaimer made by the Secretarial Auditors is as follows:

1. Point No. 1 mentioned in observations says that:

The dividend for the financial year 2015-16 was declared at the 27th AGM of the Company held on 30th September 2016. The amount of dividend was

deposited in a separate bank account after five days from the date of declaration. Thus there was a delay in deposit of dividend amount in a separate bank account.

BOARD'S RESPONSE ON THE SECRETARIAL AUDITORS COMMENTS:

1. Response to Point No. 1 mentioned above:

A separate bank account was to be opened with HDFC bank for issuing dividend for the financial year 2015-16. The procedure for opening a separate bank account and making it operative took more time than expected due to which there was a delay of few days in depositing the dividend amount to the said account. Thus the delay was because of administrative reasons and not because of any financial reason and was not intentional.

COST AUDITORS

As per the provisions of Section 148 (3) of the Companies Act, 2013, the Board of Directors of the Company had appointed M/s B R Chandak & Co. (Registration No. 21959), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended 31st March 2017. The audit is in progress and the report will be filed with the Ministry of Corporate Affairs within the prescribed period. A proposal for ratification of remuneration of the Cost Auditors for the financial year 2017-18 is placed before the shareholders for ratification / approval.

ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEM

According to Section 134(5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the company 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.

Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. The Company has a well placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that

the transactions are authorised, recorded and reported correctly. The Internal Auditors are an integral part of the internal control system of the Company. To maintain its objective and independence, the Internal Auditors report to the Audit Committee of the Board. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company.

DIRECTORS

Director retiring by rotation

Mr. P. M. Nijampurkar (holding DIN 0001805132) retires by rotation under Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

The brief resume of Mr. P. M. Nijampurkar, the nature of his expertise in specific functional areas, names of the companies in which he has held directorships, committee memberships / chairmanships, his shareholding etc. are furnished in the explanatory statement to the notice of the ensuing AGM.

Declaration by Independent Directors

Your Company has received declarations from Mr. V. K. Chopra, Mr. S. N. Shukla and Mrs. Shilpa Sharma, Independent Directors, under provisions of Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) of the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

| | |
|-----------------------|---------------------|
| Mr. Sunil Todri | Managing Director |
| Mr. P. M. Nijampurkar | Whole-time Director |
| Mr. Mitesh Gadhiya | Company Secretary |

Mr. Radhamohan Garg, has resigned as the Chief Financial Officer of the Company on November 10, 2016.

Mrs. Rajashree Dubey has resigned as the Company Secretary of the Company on November 10, 2016

Mr. Mitesh Gadhiya has been appointed as the Company Secretary / Compliance Officer of the Company on November 10, 2016.

EXTRACT OF THE ANNUAL RETURN

In accordance with requirements under Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the details

forming part of the extract of the Annual Return in form MGT 9 is given in ANNEXURE IV which forms part of this report.

CORPORATE GOVERNANCE:

All the requirements of the Corporate Governance are adhered to both in letter and spirit. All the committees of the Board of Directors meets at regular intervals as required in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Board of Directors have taken all necessary steps to ensure compliance with all statutory requirements. The Directors and Key Managerial Personnel of your Company have complied with the approved 'Code of Conduct for Board of Directors and Senior Executives of the Company'.

The report on Corporate Governance as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report and is annexed as ANNEXURE V

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE MEETINGS

The details regarding the number of meetings of the Board of Directors and Committee meetings during the period under review is given in the Corporate Governance Report.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations 2015, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. The detailed information in this regard has been given in the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and analysis is annexed as ANNEXURE VI and forms part of this report.

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Pursuant to the provisions of Section 177(9) and (10)

of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has in place a vigil mechanism for Directors and employees of the Company.

NOMINATION AND REMUNERATION POLICY

Pursuant to the requirement under Section 134(3) (e) and Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board of Directors has in place a policy which deals with the manner of selection of Board of Directors and Managing Director and their remuneration. The objectives and key features of this policy are:

- (a) Formulation of the criteria for determining qualifications, positive attributes of directors, Key Managerial Personnel (KMP) and senior management personnel and also independence of Independent Directors;
- (b) Aligning the remuneration of Directors, KMPs and senior management personnel with the Company's financial position, remuneration paid by its industry peers etc.;
- (c) Performance evaluation of the Board, its committees and Directors including Independent Directors;
- (d) Ensuring Board diversity;
- (e) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down; and
- (f) Directors' induction and continued training.

The Nomination and Remuneration policy of the Company is available on Company's website www.akartoolsltd.com.

RELATED PARTY TRANSACTIONS:

All related party transactions those were entered during the financial year were in the ordinary course of business and on arm's length basis. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is also obtained from the Audit Committee for the related party transactions which are of repetitive nature and which can be foreseen and accordingly the required disclosures are made to the Audit Committee on quarterly basis in terms of the omnibus approval of the Committee.

Since all the related party transactions entered into by the

Company were in ordinary course of business and were on an arm's length basis during the period under review, therefore Section 188 (1) of Companies Act, 2013 is not applicable to the said related party transactions. Thus the Company is not required to prepare Form AOC-2.

The policy on materiality of related party transactions and also on dealing with related party transactions as approved by the Audit Committee and the Board of Directors is uploaded on the web-site of the Company "www.akartoolsltd.com".

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There is no loan given or guarantee provided or investment made by the Company during the financial year 2016-17 as per Section 186 of the Companies Act, 2013.

DEMATERIALISATION OF SHARES

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on 31st March, 2017, 97.97% of the share capital stands dematerialized

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company does not exceed the threshold limits mentioned in Section 135 (1) of the Companies Act, 2013. Therefore the provisions pertaining to Corporate Social Responsibility are not applicable to the Company.

DISCLOSURE ON AUDIT COMMITTEE

The Audit Committee as on March 31, 2017 comprises of the following Directors:

- i. Mr. V. K. Chopra (Chairman)
- ii. Mr. S. N. Shukla (Member)
- iii. Mr. Sunil Todi (Member)

All the recommendations of the Audit Committee were accepted by the Board of Directors.

RISK ASSESSMENT AND MANAGEMENT

Your company is exposed to various business risks. These risks are driven through external factors like economic

environment, competition, regulations etc. The Company has laid down a well defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor business and non-business risks. The Audit Committee and Board periodically review the risks and suggest steps to be taken to manage/mitigate the same through a properly defined framework.

During the year, a risk analysis and assessment was conducted and no major risks were noticed, which may threaten the existence of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 (3) (c) of the Companies Act, 2013, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual financial statements for the year ended 31st March 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, except AS-15, as explained in Note No. 23 of Notes to Financial Statements;
- (b) the Directors have, in consultation with Statutory Auditors, selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the net profit of the Company for the financial year ended 31st March 2017;
- (c) the Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down adequate internal financial controls to be followed by the Company and such internal financial controls were operating

effectively during the financial year ended 31st March 2017; and

- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively throughout the financial year ended 31st March 2017.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OF COMPANIES ACT, 2013

During the financial year ended 31st March 2017, there were no frauds reported by the auditors to the Audit Committee or the Board under Section 143 (12) of the Companies Act, 2013.

DEPOSITS

Your Company has not accepted any deposits under Section 73 of the Companies Act, 2013 during the period under review.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes have occurred and commitments made, affecting the financial position of the Company, between the end of the financial year of the Company and date of this report.

There is no order passed by any regulator or court or tribunal against the Company, impacting the going concern concept or future operations of the Company, except the following:

Office of Registrar of Companies has issued certain notices to the Company for violation of certain provisions of Companies Act, 1956/2013. The Board of Directors in their meeting held on 30th May, 2017 have passed a resolution to file an application for compounding of offences for violation of provisions for which notices have been issued to the Company.

CONTINGENT LIABILITIES

The details of contingent liabilities are given in Note No. 28 of the Notes to Financial Statements.

NATURE OF BUSINESS:

There has been no change in the nature of business of the Company.

HUMAN RESOURCES:

Your Company believes in engaging human resources as they are the key differentiator for the success of the Company. Keeping the employees engaged and committed can go a long way in attainment of objectives and ensuring sustained business performance. In line with this, your Company has initiated several interventions that will enhance the engagement of the employees. Being a people centric organisation, your Company recognises the significance of building next generation leadership by developing internal talent to meet the organisational objectives. Through this, the human resources function continues to align its strategic interventions and processes, while simultaneously addressing the needs of multiple stakeholders and maintaining a competitive employee cost. Your Company continues to have cordial and harmonious industrial relations across all the manufacturing units. The total number of employees of the Company as on March 31, 2017 stood at 478.

OCCUPATIONAL HEALTH, SAFETY, ENVIRONMENT AND INDUSTRIAL RELATIONS:

Your Company has effectively deployed policies on Safety, Occupational Health & Environment at all locations. It continually focuses on improving the effectiveness of system processes, through globally accepted standards. Your Company develop and manufacture products that are safe, eco-friendly and economical. Your Company reviews its processes and its behaviour on a regular basis and measures its effect on people's health and on the nature.

During the year the Company had cordial relations with workers, staff and officers. The shop floor management is done through personal touch, using various motivational tools and meeting their training needs requirements. The Company has taken initiative for safety of employees and implemented regular safety, imparted machine safety training, wearing protective equipments etc.

LISTING

Your Company's shares continue to be listed on BSE Limited and are actively traded. The listing fee to BSE Limited for the year 2017-18 has been paid by your Company.

POLICY AGAINST SEXUAL HARASSMENT AT WORKPLACE

Pursuant to the provisions of Section 4(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place an Internal Complaints' Committee. The following is a summary of sexual harassment complaints received and disposed off during the year

No. of complaints received : Nil
No. of complaints disposed off : NA

CODE OF CONDUCT

Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company. The Code of Conduct is available on the Company's Website www.akartoolsltd.com.

POLICY FOR PRESERVATION OF DOCUMENTS AND ARCHIVAL POLICY

In compliance with Regulation 9 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company has in place the policy for preservation of document and archival policy.

ACKNOWLEDGEMENTS:

Your Directors are pleased to express their gratitude for all the co-operation and assistance received from bankers, members, customers, vendors, various Government authorities and employees for their support and faith in the Company.

For and on Behalf of Board

Date: 10th August 2017
Place: Aurangabad

Sd/-
R.L.Gupta
(Chairman)
DIN:00061861

ANNEXURE - I

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

(i) Steps taken/Impact on Conservation of Energy:

Improvement in energy efficiency is a continuous process at Akar and conservation of energy is given a very high priority in all our plants and offices.

The energy cost saving measures carried out by the Company during the year are listed below:

- All air Conditioners, lights and computers are shut down after office hours (except at the time work commitments)
- There is an optimum ratio of glass windows to utilize natural daylight and proper insulation/ventilation to balance Temperature and reduce heat.
- The Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on regular basis.
- Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment's continually.
- Increasing the awareness of energy saving within the organization to avoid the wastage of energy.
- Automated load management system to improve power factor with reduced contract

demand

(ii) Steps taken by the Company for utilizing alternate sources of energy:

Currently the Company does not have any alternate source of energy. The Company is exploring the options available for developing alternate source of energy.

(iii) Capital investment on energy conservation equipments during the year: NIL

B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

(i) Efforts made towards technology absorption:

The Company is enhancing automation in the manufacturing process to reduce its dependability on manpower. Further, all efforts are being made to develop the new products to stay ahead in the competition.

(ii) Benefits derived:

The enhancement done in the automation process in manufacturing has improved the quality of products of the Company and has also placed the Company in better position as against its competitors.

(iii) Imported technology in previous three years:

The Company has not imported any technology during the previous three years.

(iv) Expenditure incurred on Research and Development:

Not significant

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

| Particulars | 2016-17 | 2015-16 |
|-------------------------|----------|----------|
| Foreign Exchange Earned | 3,849.21 | 4,589.63 |
| Foreign Exchange used | 104.60 | 299.66 |

Details of foreign exchange earned and utilized during the year are given in Notes No. 33 of Notes to the Financial Statements.

For and on Behalf of Board

Date: 10th August 2017

Place: Aurangabad

Sd/-

R.L.Gupta

(Chairman)

DIN:00061861

ANNEXURE - II

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) AND SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The Ratio of the remuneration of each Director to the median remuneration to the employee of the Company for the financial year 2016-17

| Director's Name | Remuneration (₹ in Lakhs) | Median Remuneration (₹ In Lakhs) | Ratio |
|----------------------|---------------------------|----------------------------------|-------|
| Mr. Sunil Todi | 41.75 | 3.04 | 13 |
| Mr. P.M. Nijampurkar | 13.18 | 3.04 | 4 |

Independent Directors other than Executive Directors have been paid sitting fees for attending meeting of the Board or its Committees as disclosed in the Corporate Governance Report. The sitting fees paid have not been included in the details mentioned above.

2. Percentage increase in remuneration of each Director, Chief financial officer, Company Secretary in Financial Year 2016-17:

| Director's/CFO/CS Name | Designation | % increase/decrease in remuneration in the Financial Year 2016-17 |
|------------------------|-------------------------|---|
| Mr. Sunil Todi | Managing Director | 0.00% |
| Mr. P. M. Nijampurkar | Executive Director | 0.00% |
| Mr. Radhamohan Garg* | Chief Financial Officer | N.A. |
| Mrs. Rajashree Dubey* | Company Secretary | N.A. |
| Mr. Mitesh Gadhiya* | Company Secretary | N.A. |

*1. Mr. Radhamohan Garg resigned on 10th November 2016

2. Mrs. Rajashree Dubey resigned on 10th November 2016

3. Mr. Mitesh Gadhiya was appointed on 10th November 2016

3. Percentage increase in the median remuneration of employees in the financial year 2016-17: 20%

4. **Number of the Permanent employees on the rolls of the company as on 31.03.2017: 478**

5. **Average percentile increase in salaries of Employees other than Managerial personnel in the last Financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and any exceptional circumstances for increase in the Managerial Remuneration (if any):**

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is around 20%, as against 0.00% increase in the salary of Managing Director (Managerial personnel as defined under Companies Act, 2013). The increment given to each individual employee is based on the employees' potential, experience as well as their performance and contribution to the Company's progress over a period of time.

6. **Affirmation of remuneration is as per the remuneration policy of the company.**

It is affirmed that the remuneration paid is as per the Nomination and Remuneration Policy adopted by the Company.

7. **Top Ten Employees in terms of remuneration drawn during the year 2016-17:**

| Sr. No | Name | Designation | Remuneration (in ₹) | Qualification | Experience in Years | Date of commencement of employment | Age in Years | Particular of last employment |
|--------|---------------------|-----------------------|---------------------|---------------|---------------------|------------------------------------|--------------|------------------------------------|
| 1 | Sunil Todi | Managing Director | 41,74,667 | CA, CS | 35 | 21.06.1989 | 54 | R L Steels & Energy Ltd. |
| 2 | Nasim Ahmad | V.P. Operations | 19,38,060 | B.Tech. MBA | 26 | 01.04.2005 | 47 | M/S. Ambika Overseas(P) Ltd. |
| 3 | Naresh Chaudhari | D.G.M. Purchase | 16,39,116 | DME, B.E, MBA | 23 | 21.07.2015 | 44 | Premier Irrigation Pvt. Ltd. |
| 4 | Sarveshwar Singh | G.M. Production | 13,94,244 | Mech. Eng. | 22 | 11.03.2015 | 46 | GSC Glass Ltd. |
| 5 | Suhrid Kumar Roy | G.M. Marketing | 12,22,434 | DME | 25 | 06.09.2016 | 47 | Talbros Automotive Components Ltd. |
| 6 | P. C. Purushothaman | DGM. Marketing | 12,12,852 | B.Sc, MBA | 39 | 25.05.2013 | 61 | Bombay Forging Ltd. |
| 7 | V. Ramanathan | G.M. Marketing | 11,18,328 | B.Sc. | 39 | 08.06.2015 | 61 | Ahmednagar Forging Ltd. |
| 8 | Radhamohan Garg | CFO | 10,76,372 | CA, ICWA | 22 | 31.03.2015 | 48 | Cosmo Films Ltd. |
| 9 | Kunwer J Lily | Sr. Manager Marketing | 10,24,998 | B.E. Mba | 11 | 1.10.2008 | 36 | Marathwada Auto Compo Pvt. Ltd. |
| 10 | Shrikant Paralkar | G.M. Marketing | 10,23,708 | MBA | 17 | 17.09.2016 | 42 | Setco Automotive Ltd. |

Notes:

1. The employees have adequate experience to discharge responsibilities assigned to them
2. None of the employees are relatives of the Directors of the Company
3. The nature of employment is not contractual, except for Mr. Sunil Todi

For and on Behalf of Board

Date: 10th August 2017
Place: Aurangabad

Sd/-
R.L.Gupta
(Chairman)
DIN:00061861

ANNEXURE - III

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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,
Akar Tools Limited,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Akar Tools Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute 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, we hereby report that in our opinion, the Company has, during the audit period ended on March 31, 2017, 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 the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 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 there under;
- 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;

- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
 - (f) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)
 - (g) Securities and Exchange Board of India (buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

VI. The other Laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector / industry are:

- (i) The Factories Act, 1948
 - (ii) Air (Prevention & Control of Pollution) Act, 1981 and the rules made thereunder
 - (iii) The Environment (Protection) Act, 1986 and the rules made thereunder
 - (iv) The Water (Prevention & Control of Pollution) Act, 1974 and the rules made thereunder
- The other general laws applicable to the Company:
- (v) Employees' Provident Fund & Miscellaneous Provisions Act, 1952
 - (vi) Payment of Gratuity Act, 1972
 - (vii) Minimum Wages Act, 1948
 - (viii) Professional Tax Act, 1975 and the rules made thereunder
 - (ix) Payment of Bonus Act, 1965
 - (x) Shop & Establishment Act, 1948
 - (xi) Central Excise Act, 1944

We 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. As per Section 123 (4) of the Companies Act, 2013, the amount of dividend has to be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend. The dividend for the financial year 2015-16 was declared at the 27th AGM of the Company held on 30th September 2016. The amount of dividend was

deposited in a separate bank account after five days from the date of declaration. Thus there was a delay in deposit of dividend amount in a separate bank account.

We 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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period the Company has following specific events / actions that having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, ect.:

1. In the 27th AGM of the Company, held on 30th September, 2016, Mr. Pradeep Nijampurkar was re-designated as the whole-time director of the Company for the period of three years.
2. In the 27th AGM of the Company, held on 30th September, 2016, Memorandum and Articles of Association of the Company has been altered in order to make it in line with the provisions of the Companies Act, 2013.
3. Company has received certain show-cause notices dated 23rd December 2016, from the

Office of Registrar of Companies, Mumbai pertaining to violation of certain provisions of Companies Act, 1956/2013. As informed by the Company, it is in the process of filing application for compounding of offences in this regard.

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

For Nitin S. Sharma & Associates
Company Secretaries

Sd/-

Nitin S. Sharma
Proprietor

M. No. FCS 8518, C. P. No. 9761

Date: 10th August 2017

Place: Aurangabad

Annexure A to the Secretarial Audit Report

To
The Members
AKAR TOOLS LIMITED

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We 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 the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Nitin S. Sharma & Associates
Company Secretaries

Sd/-

Nitin S. Sharma
Proprietor

M. No. FCS 8518, C. P. No. 9761

Date: 10th August 2017

Place: Aurangabad

ANNEXURE - IV

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.)

I. REGISTRATION & OTHER DETAILS

| | | |
|----|---|---|
| a. | CIN | L29220MH1989PLC052305 |
| b. | Registration Date | 21st June, 1989 |
| c. | Name of the Company | AKAR TOOLS LIMITED |
| d. | Category/Sub-category of the Company | Public Company/Limited by Share |
| e. | Address of the Registered office & contact details | 304 Abhay Steel House, baroda Street Carnac Bunder, Mumbai Maharashtra 400009 |
| f. | Whether listed company | Yes |
| g. | Name, Address & contact details of the Registrar & Transfer Agent | Bigshare Services Pvt.Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apt. Marol Maroshi Road, Andheri East, Mumbai-400059 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(Contributing 10% or more of the total turnover)

| Sr. No. | Name & Description of main product | NIC Code of the Product /service | % to total turnover of the company |
|---------|------------------------------------|----------------------------------|------------------------------------|
| a. | Manufacture of Auto components | 2822 | 100.00 |

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| Sr. No. | Name & Address of the Company | CIN/ GLN | Holding/ Subsidiary / Associate | % of shares held | Applicable section |
|---------|-------------------------------|----------|---------------------------------|------------------|--------------------|
| 1 | | | Nil | | |

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i. Category-wise of Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|------------|----------------|-------------------|---|------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 1349275 | 0 | 1349275 | 25.01 | 1349275 | 0 | 1349275 | 25.01 | 0 |
| b) Central Govt. or State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corporate | 1029898 | | 1029898 | 19.1 | 1029898 | | 1029898 | 19.1 | 0 |
| d) Bank/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other (Directors and their relatives) | 1561740 | | 1561740 | 28.95 | 1561740 | | 1561740 | 28.95 | 0 |
| SUB TOTAL:(A) (1) | 3940913 | | 3940913 | 73.06 | 3940913 | | 3940913 | 73.06 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter (A)= (A) (1)+(A)(2) | 3940913 | | 3940913 | 73.06 | 3940913 | | 3940913 | 73.06 | 0 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 900 | 900 | 0.02 | 0 | 900 | 900 | 0.02 | 0 |
| b) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central Govt/State Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Venture Capital Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) FIIS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Qualified Foreign Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL (B)(1): | 0 | 900 | 900 | 0.02 | 0 | 900 | 900 | 0.02 | 0 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporate | 208218 | 4100 | 212318 | 3.94 | 204796 | 4100 | 208896 | 3.87 | -0.06 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Individual shareholders holding nominal share capital upto ₹1 lakh | 672791 | 85896 | 758687 | 14.07 | 691571 | 84396 | 775967 | 14.39 | 0.32 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|---------------|----------------|-------------------|---|---------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakh | 440776 | 0 | 440776 | 8.17 | 429411 | 0 | 429411 | 7.96 | -0.21 |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Clearing Member | 13055 | 0 | 13055 | 0.24 | 10635 | 0 | 10635 | 0.20 | -0.04 |
| ii) Non Resident Indian | 7058 | 20100 | 27158 | 0.50 | 7133 | 20100 | 27233 | 0.50 | 0.00 |
| iii) Non Resident Indian (Non Repeat) | 198 | 0 | 198 | 0.00 | 50 | 0 | 50 | 0.00 | 0.00 |
| SUB TOTAL (B)(2): | 1342096 | 110096 | 1452192 | 26.92 | 1343596 | 108596 | 1452192 | 26.92 | 0 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 1342096 | 110996 | 1453092 | 26.94 | 1343596 | 109496 | 1453092 | 26.94 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 5283009 | 110996 | 5394005 | 100 | 5284509 | 109496 | 5394005 | 100 | 0 |

ii. Shareholding of Promoters

| Sr. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1. | Usha Gupta | 1117700 | 20.72 | 00 | 1117700 | 20.72 | 0 | 0 |
| 2. | R.L.Gupta (HUF) | 619125 | 11.48 | 0 | 619125 | 11.48 | 0 | 0 |
| 3. | Raghunandanlal Gupta | 444040 | 8.23 | 0 | 444040 | 8.23 | 0 | 0 |
| 4. | Kamlesh Gupta | 600000 | 11.12 | 0 | 0 | 0.00 | 0 | -11.12 |
| 5. | Akar Alloys Pvt. Ltd | 429398 | 7.96 | 4.71 | 429398 | 7.96 | 0 | 0 |
| 6. | Shatrunji Investment Pvt. Ltd | 196100 | 3.64 | 0 | 196100 | 3.64 | 0 | 0 |
| 7. | Lavanaya Finvest Private Limited | 160000 | 2.97 | 2.53 | 160000 | 2.97 | 0 | 0 |
| 8. | Aurangabad Forging Private Limited | 125600 | 2.33 | 0 | 125600 | 2.33 | 0 | 0 |
| 9. | Gupta Con-Cast Limited | 100000 | 1.85 | 0 | 100000 | 1.85 | 0 | 0 |
| 10. | Narendrakumar Raghunandanlal Gupta | 94850 | 1.75 | 0 | 394850 | 7.31 | 0 | 5.56 |
| 11. | Sushila Devi Gupta | 18100 | 0.34 | 0 | 18100 | 0.34 | 0 | 0 |
| 12. | Nitin Narendrakumar Gupta | 17200 | 0.32 | 0 | 317200 | 5.88 | 0 | 5.56 |
| 13. | Sant Eknath Rolling Mills Pvt. Ltd | 14200 | 0.26 | 0 | 14200 | 0.26 | 0 | 0 |
| 14. | Kathiawad Investment Pvt. Ltd | 4600 | 0.09 | 0 | 4600 | 0.09 | 0 | 0 |
| | Total | 3940913 | 73.06 | 7.24 | 3940913 | 73.06 | 0 | 0 |

iii. Change in Promoters' Shareholding

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Share holding during the year | |
|---------|--|---|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1. | At the beginning of the year | 3940913 | 73.06 | NIL | NIL |
| 2. | Date wise increase/decrease in promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) | NIL | NIL | NIL | NIL |
| 3. | At the end of the year | 3940913 | 73.06 | NIL | NIL |

iv. Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters & Holders of GDRs & ADRs)

| Sr No & Name of the Shareholder | For each of the top 10 shareholders | Shareholding at the beginning of the year | | Date of event | No of shares | Reason for change | Cumulative Shareholding during the year | |
|---------------------------------|-------------------------------------|---|----------------------------------|---------------|--------------|-------------------|---|----------------------------------|
| | | No. of Shares of ₹10/- each | % of total shares of the Company | | | | No of shares | % of total shares of the company |
| 1. KARVY STOCK BROKING LIMITED | At the beginning of the year | 1,376 | 0.03 | 1-Apr-16 | | | 1,376 | 0.03 |
| | Changes during the year | | | 22-Apr-16 | -1376 | Transfer | 0 | 0.00 |
| | | | | 29-Apr-16 | 1613 | Transfer | 1,613 | 0.03 |
| | | | | 13-May-16 | -237 | Transfer | 1,376 | 0.03 |
| | | | | 10-Jun-16 | -221 | Transfer | 1,155 | 0.02 |
| | | | | 17-Jun-16 | -29 | Transfer | 1,126 | 0.02 |
| | | | | 24-Jun-16 | 100 | Transfer | 1,226 | 0.02 |
| | | | | 29-Jul-16 | -10 | Transfer | 1,216 | 0.02 |
| | | | | 5-Aug-16 | -90 | Transfer | 1,126 | 0.02 |
| | | | | 30-Sep-16 | 21625 | Transfer | 22,751 | 0.42 |
| | | | | 7-Oct-16 | 16700 | Transfer | 39,451 | 0.73 |
| | | | | 14-Oct-16 | 6000 | Transfer | 45,451 | 0.84 |
| | | | | 21-Oct-16 | 8815 | Transfer | 54,266 | 1.01 |
| | | | | 28-Oct-16 | 2700 | Transfer | 56,966 | 1.06 |
| | | | | 4-Nov-16 | 10000 | Transfer | 66,966 | 1.24 |
| | | | | 25-Nov-16 | 7021 | Transfer | 73,987 | 1.37 |
| | | | | 2-Dec-16 | 7978 | Transfer | 81,965 | 1.52 |
| | | | | 27-Jan-17 | 47 | Transfer | 82,012 | 1.52 |
| | | | | 3-Feb-17 | 53 | Transfer | 82,065 | 1.52 |
| | | | | 10-Feb-17 | -100 | Transfer | 81,965 | 1.52 |
| | | | 17-Feb-17 | 25 | Transfer | 81,990 | 1.52 | |
| | | | 10-Mar-17 | 25 | Transfer | 82,015 | 1.52 | |
| | | | 17-Mar-17 | 25 | Transfer | 82,040 | 1.52 | |
| | | | 24-Mar-17 | -25 | Transfer | 82,015 | 1.52 | |
| | At the end of the year | 85,740 | 1.59 | 31-Mar-17 | 3725 | Transfer | 85,740 | 1.59 |
| 2. DHEERAJ KUMAR LOHIA | At the beginning of the year | 66,983 | 1.24 | 1-Apr-16 | | Transfer | 66,983 | 1.24 |
| | At the end of the year | 66,983 | 1.24 | 31-Mar-17 | | Transfer | 66,983 | 1.24 |

| Sr No & Name of the Shareholder | For each of the top 10 shareholders | Shareholding at the beginning of the year | | Date of event | No of shares | Reason for change | Cumulative Shareholding during the year | |
|--|-------------------------------------|---|----------------------------------|---------------|--------------|-------------------|---|----------------------------------|
| | | No. of Shares of ₹10/- each | % of total shares of the Company | | | | No of shares | % of total shares of the company |
| 3. ANANTROOP FINANCIAL ADVISORY SERVICES PVT LTD | At the beginning of the year | 66000 | 1.22 | 1-Apr-16 | | Transfer | 66000 | 1.22 |
| | Changes during the year | | | 22-Apr-16 | -66000 | Transfer | 0 | 0.00 |
| | | | | 29-Apr-16 | 66000 | Transfer | 66,000 | 1.22 |
| | | | | 30-Sep-16 | -9252 | Transfer | 56,748 | 1.05 |
| | | | | 4-Nov-16 | -2648 | Transfer | 54,100 | 1.00 |
| | | | | 3-Mar-17 | -600 | Transfer | 53,500 | 0.99 |
| | | | | 10-Mar-17 | -534 | Transfer | 52,966 | 0.98 |
| | | | | 24-Mar-17 | -500 | Transfer | 52,466 | 0.97 |
| | At the end of the year | 51966 | 0.96 | 31-Mar-17 | -500 | Transfer | 51966 | 0.96 |
| 4. SANGEETHA S | At the beginning of the year | 55330 | 1.03 | 1-Apr-16 | | Transfer | 55330 | 1.03 |
| | | | | 22-Apr-16 | -55330 | Transfer | 0 | 0.00 |
| | | | | 29-Apr-16 | 55330 | Transfer | 55,330 | 1.03 |
| | | At the end of the year | 55330 | 1.03 | 31-Mar-17 | | Transfer | 55330 |
| 5. MAHENDRA GIRDHARILAL | At the beginning of the year | 44666 | 0.83 | 1-Apr-16 | | Transfer | 44666 | 0.83 |
| | | | | 22-Apr-16 | -44666 | Transfer | 0 | 0.00 |
| | | | | 29-Apr-16 | 44666 | Transfer | 44,666 | 0.83 |
| | | At the end of the year | 44666 | 0.83 | 31-Mar-17 | | Transfer | 44666 |
| 6. SHAH PRADIPBHAI BABULAL | At the beginning of the year | 37656 | 0.70 | 1-Apr-16 | | Transfer | 37656 | 0.70 |
| | Changes during the year | | | 22-Apr-16 | -37656 | Transfer | 0 | 0.00 |
| | | | | 29-Apr-16 | 37656 | Transfer | 37,656 | 0.70 |
| | | | | 21-Oct-16 | -5000 | Transfer | 32,656 | 0.61 |
| | | | | 28-Oct-16 | -3000 | Transfer | 29,656 | 0.55 |
| | | | | 25-Nov-16 | -7000 | Transfer | 22,656 | 0.42 |
| | | | | 2-Dec-16 | -8000 | Transfer | 14,656 | 0.27 |
| | | At the end of the year | 9956 | 0.18 | 31-Mar-17 | -4700 | Transfer | 9,956 |
| 7. RAJASTHAN GLOBAL SECURITIES PVT LTD | At the beginning of the year | 36279 | 0.67 | 1-Apr-16 | | Transfer | 36279 | 0.67 |
| | Changes during the year | | | 22-Apr-16 | -36279 | Transfer | 0 | 0.00 |
| | | | | 29-Apr-16 | 36279 | Transfer | 36,279 | 0.67 |
| | | | | 27-May-16 | -1116 | Transfer | 35,163 | 0.65 |
| | | | | 3-Jun-16 | -843 | Transfer | 34,320 | 0.64 |
| | | | | 10-Jun-16 | -7048 | Transfer | 27,272 | 0.51 |
| | | | | 16-Sep-16 | -615 | Transfer | 26,657 | 0.49 |
| | | | | 30-Sep-16 | -5000 | Transfer | 21,657 | 0.40 |
| | | | | 25-Nov-16 | -3482 | Transfer | 18,175 | 0.34 |
| | | | | 30-Dec-16 | -1107 | Transfer | 17,068 | 0.32 |
| | At the end of the year | 17068 | 0.32 | 31-Mar-17 | 0 | Transfer | 17068 | 0.32 |

| Sr No & Name of the Shareholder | For each of the top 10 shareholders | Shareholding at the beginning of the year | | Date of event | No of shares | Reason for change | Cumulative Shareholding during the year | |
|---------------------------------|-------------------------------------|---|----------------------------------|---------------|--------------|-------------------|---|----------------------------------|
| | | No. of Shares of ₹10/- each | % of total shares of the Company | | | | No of shares | % of total shares of the company |
| 8. VARUN GUPTA | At the beginning of the year | 0 | 0 | 1-Apr-16 | | Transfer | 0 | 0 |
| | Changes during the year | | | 3-Feb-17 | 25936 | Transfer | 25,936 | 0.48 |
| | | | | 10-Feb-17 | 6064 | Transfer | 32,000 | 0.59 |
| | | | | 17-Feb-17 | 1500 | Transfer | 33,500 | 0.62 |
| | At the end of the year | 33500 | 0.62 | 31-Mar-17 | 0 | Transfer | 33500 | 0.62 |
| 9. RAHUL NARESHBHAI SHAH | At the beginning of the year | 44658 | 0.83 | 1-Apr-16 | | Transfer | 44658 | 0.83 |
| | Changes during the year | | | 22-Apr-16 | -28982 | Transfer | 15,676 | 0.29 |
| | | | | 29-Apr-16 | 28382 | Transfer | 44,058 | 0.82 |
| | | | | 10-Jun-16 | -1400 | Transfer | 42,658 | 0.79 |
| | | | | 23-Sep-16 | -5000 | Transfer | 37,658 | 0.70 |
| | | | | 30-Sep-16 | -9000 | Transfer | 28,658 | 0.53 |
| | At the end of the year | 28658 | 0.53 | 31-Mar-17 | 0 | Transfer | 28658 | 0.53 |
| 10. SURESH PRASAD BARANWAL | At the beginning of the year | 21563 | 0.40 | 1-Apr-16 | | Transfer | 21563 | 0.40 |
| | Changes during the year | | | 11-Nov-16 | -1572 | Transfer | 19,991 | 0.37 |
| | | | | 17-Feb-17 | -646 | Transfer | 19,345 | 0.36 |
| | | | | 3-Mar-17 | -2000 | Transfer | 17,345 | 0.32 |
| | At the end of the year | 17345 | 0.32 | 31-Mar-17 | | | 17345 | 0.32 |

v. Shareholding of Directors & KMP

| Sr. No. | Mr. R L Gupta Non- Executive Director | Shareholding at the beginning of the year | | Cumulative Share holding during the year | |
|---------|---|---|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1. | At the beginning of the year | 444040 | 8.23 | 444040 | 8.23 |
| 2. | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | NIL | NIL | NIL | NIL |
| 3. | At the end of the year | 444040 | 8.23 | 444040 | 8.23 |

| Sr. No. | Mr. N K Gupta Non-Executive Director | Shareholding at the beginning of the year | | Cumulative Share holding during the year | |
|---------|--|---|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1. | At the beginning of the year | 94,850 | 1.75 | 3,94,850 | 7.32 |
| 2. | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | NIL | NIL | NIL | NIL |
| 3. | At the end of the year | 94,850 | 1.75 | 3,94,850 | 7.32 |

| Sr. No. | Mr. Sunil Todi Managing Director | Shareholding at the beginning of the year | | Cumulative Share holding during the year | |
|---------|--|---|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1. | At the beginning of the year | 20 | | 20 | |
| 2. | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | NIL | NIL | NIL | NIL |
| 3. | At the end of the year | 20 | | 20 | |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 3697.62 | 750.00 | | 4447.62 |
| ii) Interest due but not paid | | 31.50 | | 31.50 |
| iii) Interest accrued but not due | 0.00 | | | |
| Total (i+ii+iii) | 3697.62 | 781.50 | | 4479.12 |
| Changes in Indebtedness during the financial year | | | | |
| Addition | 850.18 | 45.00 | | 895.18 |
| Reduction | -192.14 | 0.00 | | -192.14 |
| Net Change | 658.04 | 45.00 | | 703.04 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 4355.66 | 750.00 | | 5105.66 |
| ii) Interest due but not paid | 0.00 | 76.50 | | 76.50 |
| iii) Interest accrued but not due | | 0.00 | | 0.00 |
| Total (i+ii+iii) | 4355.66 | 826.50 | | 5182.16 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Key Managerial Personnel & Executive Director

(₹ in Lakhs)

| Sr. No. | Particulars of Remuneration | Name of the Key Managerial Personnel | | | | |
|---------|--|--------------------------------------|------------------------------|--|--|-----------------------------------|
| | | Mr. Sunil Todi Managing Director | Mr. Radhamohan Garg CFO * | Mrs. Rajashree Dubey Company Secretary* | Mr. Mitesh Gadhiya Company Secretary* | Mr. P. M. Nijampurkar Director |
| 1. | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 29.75 | 9.11 | 1.50 | 5.70 | 10.32 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 12.00 | 1.00 | 0.07 | Nil | 2.85 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | Nil | Nil | Nil | Nil | Nil |
| 2. | Stock option | Nil | Nil | Nil | Nil | Nil |

| | | | | | | | |
|--|------------------------|--------------|-------|-------|------|------|-------|
| 3. | Sweat Equity | | Nil | Nil | Nil | Nil | Nil |
| 4. | Commission | | Nil | Nil | Nil | Nil | Nil |
| 5. | Others, please specify | | Nil | Nil | Nil | Nil | Nil |
| | Total (A) | Gross salary | 41.75 | 10.11 | 1.57 | 5.70 | 13.17 |
| Ceiling as per the Act: ₹84 Lakhs as per the Companies Act, 2013 | | | | | | | |

Notes:

- i) Mr. Radhamohan Garg has resigned on 10th November 2016 as Chief Financial Officer of the Company
- ii) Mrs. Rajashree Dubey has resigned on 10th of November 2016 as Company Secretary of the Company
- iii) Mr. Mitesh Gadhya was appointed on 10th November 2016 as Company secretary of the Company

B. Remuneration to other directors:

(₹ in Lakhs)

| Particulars of Remuneration | Name of the Directors | | | Total |
|---|-----------------------|--------------|---------------|-------------|
| | V. K. Chopra | S. N. Shukla | Shilpa Sharma | |
| Independent Directors | | | | |
| Fee for attending board meetings | 1.15 | 0.90 | 1.15 | 3.20 |
| Fees for attending Audit Committee meetings | 0.55 | 0.45 | Nil | 1.00 |
| Fees for Remuneration Committee meetings | 0.55 | 0.45 | Nil | 1.00 |
| Fees for Annual General Meetings | 0.15 | 0.15 | 0.15 | 0.45 |
| (b) Commission | Nil | Nil | Nil | Nil |
| (c) Others-Independent Directors Meetings | 0.15 | 0.15 | 0.15 | 0.45 |
| Total (1) | 2.55 | 2.10 | 1.45 | 6.10 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/ NCLT/ Court) | Appeal made if any (give details) |
|------|------------------------------|-------------------|--|-----------------------------|-----------------------------------|
|------|------------------------------|-------------------|--|-----------------------------|-----------------------------------|

A. COMPANY, DIRECTORS AND OTHER OFFICERS IN DEFAULT

| | | | | | |
|-------------|--|--|-----|--|--|
| Penalty | | | Nil | | |
| Punishment | | | | | |
| Compounding | | | | | |

During the year 2016-17, there were no penalties/punishment/compounding of offences under the Companies Act 2013.

Office of Registrar of Companies has issued certain notices to the Company for violation of certain provisions of Companies Act, 1956/2013. The Board of Directors in their meeting held on 30th May, 2017 have passed a resolution to file an application for compounding of offences for violation of provisions for which notices have been issued to the Company.

For and on Behalf of Board

Date: 10th August 2017
Place: Aurangabad

Sd/-
R.L.Gupta
(Chairman)
DIN:00061861

ANNEXURE - V

Corporate Governance Report

(Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

In accordance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Akar Tools Limited is as under:

I. CODE OF GOVERNANCE

Corporate Governance is all about ethical conduct, openness, integrity and accountability of an enterprise. Healthy Corporate Governance is a commitment of the Company to run the business in legal, ethical and transparent manner emanating from the top and permeating throughout the organization. It involves a set of relationships between a Company's Management, its Board, Shareholders and Stakeholders. It is one of the key elements in improving the economic efficiency of the enterprise. Credibility generated by sound Corporate Governance enables an enterprise in enhancing the confidence of the investors and in establishing productive and lasting business relationship with all stakeholders.

II. BOARD OF DIRECTORS'

Composition of the Board:

As on 31st March 2017, the Board of your company consists of Seven directors comprising of Two Executive Directors, Two Non-Executive Non-Independent Directors and Three Non-Executive Independent Directors (including one Women Director) of which, Mr. R L Gupta, Chairman is Non-Executive Promoter Director of the Company. The composition of the Board as on 31st March 2017 is in conformity with Listing Regulations 2015 having specified combination of Executive and Non-Executive Directors.

Classification of Board

| Category | No. Of Directors | % of Total No. Of Directors |
|--|------------------|-----------------------------|
| Executive Directors | 2 | 28.57% |
| Non-Executive Independent Directors | 3 | 42.86% |
| Other Non-Executive Directors (including Woman Director) | 2 | 28.57% |
| Total | 7 | 100% |

Non-Executive Directors' Compensation and Disclosures

During the period under review, Non-Executive Directors are not paid any compensation other than sitting fees paid to Non-Executive Independent Directors for attending meetings.

Number of Board Meetings

During the Financial year 2016-17, the Board of Directors met 4 times on- 30th May 2016, 12th August 2016, 10th November 2016 and 14th February 2017.

The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under Listing Regulations and Secretarial Standards.

Apart from Mr. R L Gupta and Mr. N K Gupta, who are Father (R L Gupta) and Son (N K Gupta), none other Directors of the Company are related to each other.

Directors Attendance Record and Their Other Directorships / Committee Memberships

As required under the Listing Regulations, none of the Director is a member of more than Ten Board level Committees or Chairman of more than Five Committees across companies in which he/she is a Director. Relevant details of the Board as on 31st March 2017 are given below:

| Name of Director | Category | Attendance of No. of meetings held during the year | | Attendance of last AGM | No. of other Directorship/Committee Membership / Chairmanship held in Board Committees* | | |
|-----------------------|-------------------|--|----------|------------------------|---|----------------------|---------------------------------------|
| | | Meetings held During their Office of Directorship | Attended | | No. of Other Directorship | Committee Membership | Chairmanship held in Board Committees |
| Mr. R L Gupta | Chairman, PD, NED | 4 | 1 | YES | 2 | - | - |
| Mr. N K Gupta | PD, NED | 4 | 4 | NO | 2 | 2 | 1 |
| Mr. Sunil Todi | MD, ED | 4 | 4 | YES | 1 | 2 | - |
| Mr. P. M. Nijampurkar | ED | 4 | 3 | NO | 1 | - | - |
| Mr. V K Chopra | ID | 4 | 4 | YES | 1 | 2 | 1 |
| Mr. S N Shukla | ID | 4 | 3 | YES | - | 2 | 1 |
| Mrs. Shilpa Sharma | ID | 4 | 4 | YES | 1 | - | - |

PD- Promoter Director; MD- Managing Director; ED- Executive Director; NED- Non Executive Director; ID- Non-Executive Independent Director

* 1. For this purpose, private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.

2. For this purpose, Three Committees viz. the Audit Committee, the Stakeholders Relationship Committee, Nomination and Remuneration Committee are considered.

Directors Shareholding

The details of the shares held by the Directors of the Company as on 31st March 2017 are as follows:

| Name of Director | Category | No. of shares held | % of the shares held |
|-----------------------|------------------|--------------------|----------------------|
| Mr. R L Gupta | Chairman PD, NED | 4,44,040 | 8.23% |
| Mr. N K Gupta | PD, NED | 3,94,850 | 7.32% |
| Mr. Sunil Todi | MD, ED | 20 | 0.00% |
| Mr. P. M. Nijampurkar | ED | 0 | 0.00% |
| Mr. V K Chopra | ID | 0 | 0.00% |
| Mr. S N Shukla | ID | 0 | 0.00% |
| Mrs. Shilpa Sharma | ID | 0 | 0.00% |
| Total | | 8,38,910 | 15.55% |

PD- Promoter Director; MD- Managing Director; ED- Executive Director; NED- Non Executive Director; ID- Non-Executive Independent Director

Separate Meeting of the Independent Directors

All Independent Directors of the Company met separately on March 21, 2017 without the presence of Non-Independent Directors and Members of Management. In accordance with Schedule IV of Companies Act, 2013, following matters were, inter-alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole.
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Code of Conduct

The code of conduct for all Board Members and Senior Management has been laid down by the Company and is available on the website of the company. All the Board Members and Senior Management Personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed compliance with the applicable code of conduct.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board as a whole, Chairman and the Non-Independent Directors was carried out by the Independent Directors. This exercise was carried out in accordance with the Nomination & Remuneration Policy framed by the Company within the framework of applicable laws. The Board carried out an annual evaluation of its own performance, as well as the evaluation of the working of its committees and individual Directors, including Chairman of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The evaluation process was reviewed in the light of the guidance note issued by the Securities and Exchange Board of India on Board evaluation dated January 5, 2017 and aligned in accordance with the requirements specified therein. While evaluating the performance and effectiveness of the Board, various aspects of the Board's functioning such as adequacy of the composition and quality of the Board, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, execution and performance of specific duties, obligations and governance were taken into consideration. Committee performance was evaluated on the basis of their effectiveness in carrying out respective mandates, composition, effectiveness of the committees, structure of the committees and meetings, independence of the committee from the Board, contribution to decisions of the Board. A separate exercise was carried out to evaluate the performance of Independent Directors, who were evaluated on parameters such as level of engagement and contribution to Board deliberations, independence of judgement, safeguarding the interest of the Company and focus on creation of shareholders value, ability to guide

the Company in key matters, attendance at meetings etc. The Directors expressed their satisfaction with the evaluation process.

III. COMMITTEES OF THE BOARD

The Company has three Board level Committees:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee

A. AUDIT COMMITTEE:

Terms of Reference

The terms of reference of Audit Committee includes the following:

Reviewing with the management, the annual financial statements before submissions to the Board for approval, focusing primarily on-

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Qualifications in draft audit report.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with accounting standards.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, the fixation of audit fees and approval of payment for any other services rendered by them.

Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, frequency of internal audit.

Discussions with internal auditors of any significant findings and follow up thereon.

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submissions to the Board for approval.

Reviewing, with the management, the statement of uses/ application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, the report submitted by the

monitoring agency, and making appropriate recommendations to the Board to take up steps in this matter.

To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividend) and creditors.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

Composition of Audit Committee

As on 31st March 2017, the Audit Committee comprises of the following three Directors. The composition of the Committee is in conformity with the Listing Regulations.:

1. Mr. V K Chopra, Independent Director (Chairman)
2. Mr. S N Shukla, Independent Director
3. Mr. Sunil Todi, Managing Director

Mr. Mitesh Gadhiya, Company Secretary is the Secretary of the Audit Committee.

Meetings and Attendance

During the Financial 2016-17, the Audit Committee met 4 times on- 30th May 2016, 12th August 2016, 10th November 2016 and 14th February 2017. The requisite quorum was present during all the meetings of the Audit Committee. The time gap between any two meetings of Audit Committee was less than 120 days.

The details of attendance of Audit Committee meetings are as under.

| Name of Member | Category* | Status | No. Of Meetings held during the year | No. Of Meetings attended during the year |
|----------------|-----------|----------|--------------------------------------|--|
| Mr. V K Chopra | ID | Chairman | 4 | 4 |
| Mr. S N Shukla | ID | Member | 4 | 3 |
| Mr. Sunil Todi | MD, ED | Member | 4 | 4 |

* ID- Non-Executive Independent Director; MD- Managing Director; ED- Executive Director

The terms of reference to the Audit Committee cover all matters specified in the Listing Regulations, 2015 and the Companies Act, 2013. Chief Financial Officer of the Company assists the Committee on financial concerns of the Company. The Chairman of the Committee briefs the Board members about the significant discussions at Audit Committee Meetings. All the members of the Audit Committee have accounting and financial management expertise. Chairman of the Audit Committee, Mr. V K Chopra was present at the Twenty-Seventh Annual General Meeting, held on 30th Sep, 2016, to answer the shareholders' queries.

B. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

The terms of reference of Nomination and Remuneration Committee includes the following:

Determine the Company's policy on specific remuneration package for Managing Director / Whole-time Directors including pension rights.

Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Whole-time Directors.

Decide the amount of Commission payable to the Whole time Directors.

Review and suggest revision of the total remuneration package of the Whole-time Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.

To review the overall compensation policy, service agreements and other employment conditions to Executive Directors and senior executives just below the Board of Directors and make appropriate recommendations to the Board of Directors;

To review the overall compensation policy for Non-Executive Directors and Independent Directors and make appropriate recommendations to the Board of Directors;

To make recommendations to the Board of Directors on the increments in the remuneration of the Directors;

To assist the Board in developing and evaluating potential candidates for senior executive positions and to oversee the development of executive succession plans;

To review and approve on annual basis the corporate goals and objectives with respect to compensation for the senior executives and make appropriate recommendations to the Board of Directors;

To review and make appropriate recommendations to the Board of Directors on an annual basis the evaluation process and compensation structure for the Company's officers just below the level of the Board of Directors;

To provide oversight of the management's decisions concerning the performance and compensation of other officers of the Company;

Composition of Nomination and Remuneration Committee

As on 31st March 2017, the Nomination and Remuneration Committee comprises of the following three Directors:

1. Mr. S N Shukla, Independent Director (Chairman)
2. Mr. V K Chopra, Independent Director
3. Mr. N K Gupta, Non-Executive Director

Mr. Mitesh Gadhiya, Company Secretary is the Secretary of the Nomination and Remuneration Committee.

Meetings and Attendance

During the Financial 2016-17, the Nomination and Remuneration Committee met 4 times on- 30th May 2016, 12th August 2016, 10th November 2016 and 14th February 2017. The requisite quorum was present during all the meetings of the Nomination and Remuneration Committee.

The details of attendance of Nomination and Remuneration Committee meetings are as under:

| Name of Member | Category* | Status | No. Of Meetings held during the year | No. Of Meetings attended during the year |
|-----------------------|------------------|---------------|---|---|
| Mr. S N Shukla | ID | Chairman | 4 | 3 |
| Mr. V K Chopra | ID | Member | 4 | 4 |
| Mr. N K Gupta | PD, NED | Member | 4 | 2 |

* ID - Non-Executive Independent Director; PD - Promoter Director; NED - Non-Executive Director

The roles and responsibilities of the Committee are in accordance with the requirements as specified in the Listing Regulations, Companies Act, 2013. The same can be viewed at the website of the Company www.akartoolsLtd.com under Polices.

Chairman of the Nomination and Remuneration Committee, Mr. S N Shukla was present at the Twenty-Seventh Annual General Meeting, held on 30th Sep, 2016, to answer the shareholders' queries.

Criteria for Performance Evaluation for Independent Directors

The criteria for performance evaluation for Independent Directors is uploaded on the website of the Company 'www.akartoolsLtd.com' under the head 'Policies' under 'Nomination and Remuneration Policy'.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition of Stakeholders Relationship Committee

As on 31st March 2017, the Stakeholders Relationship Committee comprises of the following three Directors:

1. Mr. N K Gupta, Non-Executive Director (Chairman)
2. Mr. Sunil Todi, Managing Director
3. Mr. P. M. Nijampurkar, Executive Director

Mr. Mitesh Gadhiya, Company Secretary is the Secretary of the Stakeholders Relationship Committee.

Meetings and Attendance

During the Financial 2016-17, the Stakeholders Relationship Committee met 4 times on- 30th May 2016, 12th August 2016, 10th November 2016 and 14th February 2017. The requisite quorum was present during all the meetings of the Stakeholders Relationship Committee.

The details of attendance of Stakeholders Relationship Committee meetings are as under:

| Name of Member | Category* | Status | No. Of Meetings held during the year | No. Of Meetings attended during the year |
|-----------------------|-----------|----------|--------------------------------------|--|
| Mr. N K Gupta | PD, NED | Chairman | 4 | 4 |
| Mr. Sunil Todi | MD, ED | Member | 4 | 4 |
| Mr. P. M. Nijampurkar | ED | Member | 4 | 3 |

* ID- Non-Executive Independent Director; PD- Promoter Director; MD- Managing Director; ED- Executive Director; NED- Non-Executive Director

The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers, non-receipts of annual reports, non- receipt of dividend and other allied complaints.

The Committee performs the following functions:

1. Transfer/ transmission of shares.
2. Split up/ sub-division and consolidation of shares.
3. Dematerialization/ rematerialization of shares.
4. Issue of new and duplicate share certificates.
5. Registration of Power of Attorneys, Probate, Letters of transmission or similar other documents.
6. To open/ close bank account(s) of the Company for depositing share/ debenture applications, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.
7. To look into redressal of shareholders' and investors' complaints like transfer of shares, non- receipt of annual report, non- receipt of declared dividends, etc.

8. Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.

Investor Grievance Redressal

During the financial year 2016-17, four complaints were received and replied to the satisfaction of the shareholders. There were no complaints outstanding as on 31st March, 2017. There were no share transfer requests pending as on 31st March, 2017.

IV. GENERAL BODY MEETINGS

Location, time & date, regarding three immediately preceding Annual General Meetings of the company are given below;

| Year | Date | Venue | Time | Whether any Special resolution passed in the AGM |
|-------------|-------------|--|-------------|---|
| 2013-14 | 29/09/2014 | Y.Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai | 11.00 A.M | No |
| 2014-15 | 30/09/2015 | Y.Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai | 11.00 A.M | Yes |
| 2015-16 | 30/09/2016 | Y.Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai | 11.00 A.M | Yes |

- The following special resolution was taken up in the last AGM dated 30/09/2016 and was passed with requisite majority:
 - a) Re-designation of Mr. P. M. Nijampurkar as Whole-time Director
 - b) Adoption of New Set of Articles of Association under Companies Act, 2013
 - c) Amendment to Memorandum of Association of the Company
- For passing the special resolution mentioned in (b) and (c) above, e-voting facility was provided to the members instead of postal ballot.
- No special resolution is proposed to be conducted through postal ballot. Instead, e-voting facility will be provided to the members for passing the resolutions in the ensuing Annual General Meeting.

V. SUBSIDIARY COMPANIES

Company doesn't have any subsidiary company or associate company in terms of definition mentioned under Companies Act, 2013.

VI. DISCLOSURES

Related Party Transactions

Summary of related party transactions were placed before audit committee for their review from time to time. No transactions were entered into with the related parties at a price other than arm's length price or other than in ordinary course of business. The related party disclosures as per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, are as mentioned in Note No. 30 of Notes to Accounts in the Annual Report and may be referred for further details.

Accounting Treatment

The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Risk Management

The Company has a well defined risk management policy in place and Company follows balanced risk to return strategy. The Company periodically places before the Audit Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company. Till date, Company has not entered into transaction which has material effect on company's financial position.

Remuneration of Directors

The details of remuneration paid to the Directors are as follows:

1. Remuneration paid to Executive Directors for the Financial Year 2016-17

(₹ in Lakhs)

| Sr. No. | Particulars of Remuneration | Name of the Key Managerial Personnel | |
|---------|--|--------------------------------------|--|
| | | Sunil Todi Managing Director | P. M. Nijampurkar Whole-time Director |
| 1. | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | 29.75 | 10.32 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 12.00 | 2.86 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | Nil | Nil |
| 2. | Stock option | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil |
| 4. | Commission | Nil | Nil |
| 5. | Others, please specify | Nil | Nil |
| | Total | 41.75 | 13.18 |

2. Sitting Fees paid to Non-Executive Independent Directors during the Financial Year 2016-17

(₹ in Lakhs)

| Particulars of Remuneration Independent Directors | Name of the Key Managerial Personnel | | | Total |
|---|--------------------------------------|------------|---------------|-------|
| | V K Chopra | S N Shukla | Shilpa Sharma | |
| Fee for attending Board Meetings | 1.15 | 0.90 | 1.15 | 3.20 |
| Fees for attending Audit Committee meetings | 0.55 | 0.45 | Nil | 1.00 |
| Fees for Nomination & Remuneration Committee meetings | 0.55 | 0.45 | Nil | 1.00 |
| Fees for attending Annual General Meeting | 0.15 | 0.15 | 0.15 | 0.45 |

| | | | | |
|--|-------------|-------------|-------------|-------------|
| Fees for attending Independent Directors Meeting | 0.15 | 0.15 | 0.15 | 0.45 |
| Total | 2.55 | 2.10 | 1.45 | 6.10 |

Management Discussion and Analysis

A detailed report on the Management Discussion and analysis is annexed as ANNEXURE VI of the Board's Report.

Details of Non-Compliance by the Company

No penalties were imposed on the Company, during last three years, by any Statutory Authority on any matter related to Capital Market.

Code of Prevention of Insider Trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

Whistle Blower Policy / Vigil Mechanism

The Company has established a system through which Directors, employees, business associates may report unethical behaviour, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal. The Company has set up a Vigil (Whistle Blower) Mechanism, under which all directors, employees, business associates have direct access to the Chairman of the Audit Committee for this purpose. The Audit Committee periodically reviews the existence and functioning of the mechanism.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has implemented all mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below.

i. The Board

A non-executive Chairman heads the Board.

Independent Directors possess the requisite qualification and experience to contribute effectively to the company in their capacity as independent director.

ii. Shareholder rights

The Quarterly results of the company are uploaded in the website of the Company. These are not sent individually to the shareholders

iii. Separate posts of Chairman and CEO

Mr. R L Gupta is the Non-Executive Director cum Chairman of the Company. Mr. Sunil Todi is the Managing Director of the Company. The Company does not have a CEO.

Prevention of Sexual Harassment Policy

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal policy for prevention of sexual harassment of its women employees.

VII. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual financial results are communicated to the Bombay Stock Exchange at Mumbai immediately after these are considered and approved by the Board; and thereafter regularly published in the prominent newspapers in English and Marathi Language as required. Quarterly and annual financial statements and official news releases are posted on our website: www.akartoolsltd.com. Further, all other price sensitive and other information is sent to the Stock Exchange where shares of the Company are listed, enabling them to display the same on their website.

VIII. GENERAL SHAREHOLDERS INFORMATION

(i) Date, time and venue of Annual General Meeting:

Friday, 22nd September 2017 at 11.00 am at Y. B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai – 400021.

(ii) Financial year of the Company:

1st April to 31st March

(iii) Book Closure Date:

16th September 2017 to 22nd September 2017 (both days inclusive)

(iv) Proposed Dividend:

The Board has proposed a 11% dividend i.e. ₹1.10 per Equity Share

(v) Listing on Stock Exchanges:

Your Company is listed on Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400023 having Stock Exchange code "A-1"

GROUP INDEX: XD

SCRIP ID: AKARTOOL

SCRIP CODE: 530621

ISIN CODE: INE864E01013

(vi) Market Price Data: High. Low during each month in last financial year

Following is the Monthly High-Low Trading price in each month in last financial year.

| Month | Open | High | Low | Close |
|----------------|-------|-------|-------|-------|
| April 2016 | 41.75 | 45.80 | 39.10 | 41.00 |
| May 2016 | 43.60 | 64.95 | 39.95 | 48.70 |
| June 2016 | 50.95 | 50.95 | 39.50 | 45.50 |
| July 2016 | 45.00 | 49.10 | 42.15 | 46.35 |
| August 2016 | 46.45 | 56.90 | 43.15 | 46.20 |
| September 2016 | 48.50 | 61.80 | 45.00 | 54.95 |
| October 2016 | 56.90 | 59.00 | 50.60 | 53.55 |
| November 2016 | 53.00 | 58.90 | 40.35 | 45.10 |
| December 2016 | 45.50 | 50.00 | 44.00 | 44.85 |
| January 2017 | 46.10 | 59.00 | 45.65 | 57.60 |
| February 2017 | 58.95 | 62.90 | 51.20 | 55.25 |
| March 2017 | 56.25 | 62.00 | 54.70 | 58.00 |

(vii) Performance of Company's stock during last financial year i.e. 1st April 16 to 31st March 17



(viii) Registrar and Transfer Agents & Share Transfer System

Big Share Services Private Limited,
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Apt. Marol Maroshi Road,
Andheri East, Mumbai-400059

(ix) Share Transfer System

All share transfer and other communications regarding share certificates, change of address, dividends, etc should be addressed to Registrar and Transfer Agents. Stakeholders Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. Such transfers take place on weekly basis. A summary of all the transfers/ transmissions etc. so approved by officers of the Company is placed at every Committee Meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges.

(x) Shareholding Pattern as on March 31, 2017

| Particulars | No. of Shares held at end of the year [As on 31-March-2017] | | | |
|---|---|-----------------|------------------|-------------------|
| | Demat | Physical | Total | % of Total Shares |
| A. Promoters | | | | |
| (1) Indian | | | | |
| a) Individual/ HUF | 13,49,275 | - | 13,49,275 | 25.01% |
| B) Directors or Directors Relatives (other than in [a] above) | 15,61,740 | | 15,61,740 | 28.95% |
| b) Body Corporate | 10,29,898 | - | 10,29,898 | 19.10% |
| Sub Total (A) (1) | 39,40,913 | - | 39,40,913 | 73.06% |
| B. Public Shareholding | | | | |
| a) Indian Bodies Corp. | 2,04,796 | 4,100 | 2,08,896 | 3.87% |
| b) Resident Individuals | 11,20,982 | 84,396 | 12,05,378 | 22.34% |
| c) Non Resident Indians | 7,183 | 20,100 | 27,283 | 0.51% |
| d) Clearing Members | 10,635 | - | 10,635 | 0.20% |
| e) Mutual Funds | - | 900 | 900 | 0.02% |
| Total Public(B) | 13,43,596 | 1,09,496 | 14,53,092 | 26.94% |
| Grand Total (A+B+C) | 52,84,509 | 1,09,496 | 53,94,005 | 100.00% |

(xi) Distribution of shareholding

| No. of Equity Shares held | No of Shares | % to equity | No of Share holders | % to holders |
|---------------------------|-----------------|---------------|---------------------|---------------|
| Up to 5000 | 2889970 | 86.00 | 2020 | 5.35 |
| 5001 to 10000 | 1195460 | 6.34 | 149 | 2.21 |
| 10001 to 20000 | 1129870 | 3.00 | 70 | 2.09 |
| 20001 to 30000 | 638910 | 1.06 | 25 | 1.18 |
| 30001 to 40000 | 536130 | 0.63 | 15 | 1.00 |
| 40001 to 50000 | 611030 | 0.55 | 13 | 1.13 |
| 50001 to 100000 | 1606340 | 0.89 | 21 | 3.00 |
| 100001 and above | 45332340 | 1.53 | 36 | 84.04 |
| Total | 53940050 | 100.00 | 2349 | 100.00 |

(xii) Dematerialization of Shares

As of 31st March, 2017, 97.96% of Shares are held in Demat mode, following is the detail of share held in various modes.

| | | |
|--|----------------|----------------|
| No. of shares held in dematerialised form in CDSL: | 750356 | 13.91% |
| No. of shares held in dematerialised form in NSDL: | 4534153 | 84.06% |
| No. of shares held in physical form: | 109496 | 2.03% |
| Total No. of shares | 5394005 | 100.00% |

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with the respective depository participants.

(xiii) Reconciliation of Share Capital Audit

M/s Nitin Sharma & Associates, an Independent firm of practicing Company Secretary, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the reconciliation of total issued and listed Capital with that of total share capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company's shares are listed.

(xiv) Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company complies with the same.

(xv) Outstanding GDRs/ADRs/Warrants or any convertible instruments

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments during the financial year 2016-17

(xvi) Registered Office and Correspondence Address:**Registered Office Address:**

AKAR TOOLS LIMITED
304, Abhay Steel House,
Baroda Street, Carnac Bunder
Mumbai – 400009
Maharashtra

Corporate Office (for correspondence)

AKAR TOOLS LIMITED
E-5, MIDC, Waluj Area,
Aurangabad - 431136,
Maharashtra
Ph. (0240) 6647200, Fax: (0240) 2554640
E-mail:corporate@akartoolsltd.com
Website: www.akartoolsltd.com

(xvii) Plant Location:

Unit I: E-5, MIDC, Waluj Area, Aurangabad – 431136, Maharashtra
Unit II: C-5/6, MIDC, Waluj Area, Aurangabad – 431136, Maharashtra
Unit III: Gut No. 24-25, Paithan Road, Chitegaon, Aurangabad – 431107, Maharashtra
Unit IV: Plot No. G-45 & 46, MIDC, Chikalthana, Jalna Road, Aurangabad – 431210, Maharashtra

(xviii) SCORES (SEBI Complaints Redressal System):

SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

For and on Behalf of Board

Date: 10th August 2017
Place: Aurangabad

Sd/-
R.L.Gupta
(Chairman)
DIN:00061861

ANNEXURE - VI

Management discussion and analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian economy continues to be the fastest growing economy in the world. Normal monsoon and falling inflation, kept consumer's confidence up bit. Indian GDP grew at 7.1% in the year. With the passage of GST bill, Indian economy will grow faster because of ease of doing business and transparency. As per IMF estimates, India would grow at 7.7% in the year 2018. The world economy is also showing sign of revival and expected to grow at 3.5% in 2017 and 3.6% in the year 2018.

OPPORTUNITIES AND THREATS

Opportunities

We have witnessed an infrastructure oriented spending on national development in recent past. This fiscal spending has given a boost to the transport and automotive sectors. Positive impact of the same is expected to be seen in future. With the increasing awareness and education of customers, a range on non-vehicular products, spares and tooling items are gaining demand. India has emerged as a major hub for global manufacturing with its advantage of lower input costs, availability of local supplier base and high domestic demand. As an established manufacturer for its customers in India and outside, the Company is ideally placed to take advantage for targeting lucrative international markets. Further, the Company also has the advantage of a strong in-house design and development facility and professionals.

Threats

The Indian automotive industry is affected materially by the general economic conditions in India and around the world. The progress of the economy also depends on the political situation around the world. The automotive industry and the demand for automobiles is influenced by the general economic conditions, including among

other things, rates of economic growth, availability of credit, disposable income of consumers, interest rates, environmental and tax policies, safety regulations, freight rates and power cost and commodity prices. Negative trends, in any of these factors impacting the regions where the Company operates could materially and adversely affect our business, results of operations and financial condition.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The information in this regard is given in Note No. 31 of the Notes forming part of the financial statements.

OUTLOOK

The Indian automotive industry is affected materially by the general economic conditions in India and around the world. The automotive industry in general is cyclical and economic slowdowns in the recent past, due to demonetization and GST implementation, have affected the manufacturing sector including the automotive and related industries in India. Economic factors such as decreasing interest rates, increasing growth rate, easy availability of financing for vehicles, seems favourable for the automotive industry in the near future.

RISKS AND CONCERNS

The Company has robust system for risk assessment and mitigation and has a risk management policy in place with well established internal controls and risk management process. Reviews are conducted constantly as per the risk management policy.

With rising inflationary pressures, increase in the price of steel and other inputs, weak global recovery, possibility of slow growth rate of Indian economy and uncertainties of overseas and external factors are the key concerns on the

macroeconomic fronts which may have an impact on the Company operations in the coming years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations and protecting assets from unauthorised use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The sales turnover of your Company during the year 2016-17 was ₹18973.07 Lakhs as against ₹18455.48 Lakhs during the year 2015-16. Your Company earned a net profit after tax of ₹261.93 Laksh during the year 2016-17 as against ₹183.55 Lakhs during the year 2015-16. The net profit during the year 2016-17 increased by 42.70 percent as compared to the year 2015-16. This substantial rise in the net profit of the Company could be achieved because of the management focus on reduction in production cost and aggressive marketing strategy.

Date: 10th August 2017
Place: Aurangabad

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATION

The Company believes that the success of any organisation depends upon availability of human capital. Our assets are our people who work to innovate beyond and challenge established boundaries. Thus, employees are vital to the Company. We have favourable work environment that encourages innovation and meritocracy. We focus on attracting the best and brightest talent and the meritocracy is the sole criteria for selection. The Company firmly believes that manpower is the most important asset, above all. The Company has good cordial relation with trade union and employees representatives and views these relationships as contributing positively to the success of the business.

CAUTIONARY STATEMENT

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

For and on Behalf of Board

Sd/-
R.L.Gupta
(Chairman)
DIN:00061861

Financial Section

Independent Auditor's Report

To
The Members of
Akar Tools Ltd.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Akar Tools Limited, ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our Audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require

that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 31 March 2017, and its profit and its cash flows for the year ended on that date.

Matters of Emphasis

We draw attention to the following matter in Notes to the Standalone Financial Statements;

Note No 40 to the Standalone Financial Statements relating to overdue from a debtors of a sum of ₹74.92 Lakhs and the management assessment for the recovery is subject to uncertainty and which if do not materialise, could significantly impact the carrying values of the debtors. Our report is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit except for confirmation from debtors and creditors.
 - 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 and the Cash Flow Statement 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 save and except AS15 for employees' benefits as per Note No 23
 - e. On the basis of written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - g. 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, 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 – Refer Note 28 to the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivatives contract 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 - Refer Note 37 to the standalone financial statements.
- iv. The Company has provided requisite disclosures in the standalone financial statement as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the Management. - Refer Note No 39

For A.K. Bagadia & Co.
Chartered Accountants

Sd/-
(A K Bagadia)

Proprietor

Membership No.30520
(FRN 100846W)

Place : Aurangabad
Dated : 30th May, 2017

Annexure "A"

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AKAR TOOLS LIMITED

The Annexure referred to in Independent Auditors' Report to the members of the company on the company's on the Standalone Financial Statement for the year ended March 31, 2017.

- (i) We report that:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
 - (c) Based on our audit procedure performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the company except in case of merged unit's lease hold land costing ₹0.32 Lakhs which is yet not transferred in the name of the company in the records of M.I.D.C. for which the Company is in the process of getting it registered in its name.
- (ii) The management has conducted physical verification of inventory at reasonable intervals, except material in transit and stocks lying with third parties and in bonded warehouses, which are verified with reference to the certification obtained and/or subsequent clearing of goods. In our opinion, the frequency of physical verification is reasonable. No material discrepancies were noticed on physical verification between the physical stock and book records.
- (iii) In our opinion, and according to information and explanation given to us, the Company has granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act.
- a. The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
 - b. The schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
 - c. There is no amount which is overdue which is 90 days.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, and advances given, making investments and providing guarantees, and securities, as applicable.
- (v) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 73 to 76 or any other provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 to the extent notified, with regard to deposits accepted from the public.
- (vi) The maintenance of cost record has been specified by the Central Government under Section 148 (1) of the Act. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Record and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section(1) of Section 148 of the Act, and are of the opinion that, prima facie, that prescribed cost record have been made and maintained. We have, however, not made a detailed examination of the cost record with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, Investors' Education And Protection Fund, Employees' State Insurance, Income Tax, Sales Tax including Value Added Tax, Wealth Tax, Service Tax, Entry tax, Duty Of Customs, Duty Of Excise, Cess and other material statutory dues as applicable to each of them respectively, with the appropriate authorities except ₹9.73 Lakhs which is outstanding as on 31st March 2017 on account of Dividend Distribution Tax, Except as above, there were no arrears of undisputed outstanding statutory dues as at the year-end for a period of more than six months from the date they become payable.

- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, the amount involved and the forum where disputes are as follows :-

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Unpaid (₹ in Lakhs) |
|--|----------------------------|--|------------------------------------|----------------------------|
| Income Tax Act 1961 | Income Tax | Chief Commissioner of Income Tax | A.Y.1999-2000 | 0.44 |
| | | | A.Y.2000-2001 | 5.35 |
| | | | A.Y.2001-2002 | 10.72 |
| | | | A.Y.2002-2003 | 3.26 |
| | | | A.Y.2003-2004 | 13.65 |
| | | | A.Y.2004-2005 | 4.16 |
| | Income Tax | Commissioner of Income Tax (Appeals) | A.Y.2005-2006 | 9.99 |
| | | | A.Y.2006-2007 | 0.50 |
| | | | A.Y.2007-2008 | 1.81 |
| | | | A.Y.2008-2009 | 2.63 |
| | | | A.Y.2011-2012 | 14.38 |
| | | | A.Y.2012-2013 | 13.48 |
| | Income Tax (TDS) | Income Tax officer (TDS) | A.Y.2010-2011 | 4.23 |
| | | | A.Y.2011-2012 | 0.48 |
| | | | A.Y.2012-2013 | 2.39 |
| A.Y.2013-2014 | | | 6.54 | |
| A.Y.2014-2015 | | | 11.80 | |
| The Employee's Provident Funds & Miscellaneous Provision Act, 1952 | Employee's Provident Funds | Regional P F Commissioner RO. | 2002-2003 & 2003-2004 | 8.02 |
| | | | | |
| Finance Act, 1994 | Service Tax | Commissioner of Appeals, Central Excise, Customs and Service Tax | Aug-2012 to Mar-2015 | 10.37 |

- (viii) According to the records of the Company examined by us and information and explanations given to us, the Company has not defaulted in repayment of dues to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The company did not raise money by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud

by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

- (xi) In our opinion and according to the information and explanations given to us, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company; accordingly, provisions of Clause 3 (xii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons

connected with term. Therefore, the provisions of Clause 3(xv) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A.K. Bagadia & Co.
Chartered Accountants

Sd/-
(A K Bagadia)

Proprietor

Place : Aurangabad
Dated : 30th May, 2017

Membership No.30520
(FRN 100846W)

Annexure “B”

TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AKAR TOOLS LIMITED

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 AKAR TOOLS LIMITED (“the Company”) as of March, 31st 2017 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 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. 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 the 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.

Auditor’s 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 the Institute of Chartered Accountants of India (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 ICAI. 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 was 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company’s assets that could have a material effect on the standalone 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 31,2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.K. Bagadia & Co.
Chartered Accountants

Sd/-
(A K Bagadia)

Proprietor

Place : Aurangabad
Dated : 30th May, 2017

Membership No.30520
(FRN 100846W)

Balance Sheet as at 31st March 2017

(₹ in Lakhs)

| | Notes | 31st March 2017 | 31st March 2016 |
|---|----------------|------------------|------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 539.40 | 539.40 |
| Reserves and surplus | 4 | 2,211.72 | 1,958.01 |
| | (A) | 2,751.12 | 2,497.41 |
| Non-current liabilities | | | |
| Long- term borrowings | 5 | 1,419.37 | 1,080.02 |
| Deferred tax liabilities (net) | 6 | 441.36 | 420.70 |
| | (B) | 1,860.73 | 1,500.72 |
| Current liabilities | | | |
| Short-term borrowings | 7 | 3,548.19 | 3,279.41 |
| Trade payables | 8 | 3,817.75 | 4,905.26 |
| Other current liabilities | 9 | 536.52 | 226.26 |
| Short-term provisions | 10 | 129.29 | 186.01 |
| | (C) | 8,031.75 | 8,596.94 |
| TOTAL | (A+B+C) | 12,643.60 | 12,595.07 |
| ASSETS | | | |
| Non Current assets | | | |
| Fixed assets | 11 | | |
| Tangible assets | | 3,497.71 | 2,952.17 |
| Capital work-in-progress | | 252.24 | 84.48 |
| Non-current investments | 12 | 7.80 | 10.80 |
| Long-term loans and advances | 13 | 250.00 | 460.62 |
| | (A) | 4,007.75 | 3,508.08 |
| Current assets | | | |
| Inventories | 14 | 4,834.16 | 4,896.94 |
| Trade receivables | 15 | 3,117.08 | 3,547.58 |
| Cash and cash equivalents | 16 | 153.94 | 135.40 |
| Short-term loans and advances | 17 | 526.61 | 489.99 |
| Other current assets | 18 | 4.06 | 17.09 |
| | (B) | 8,635.85 | 9,087.00 |
| TOTAL | (A+B) | 12,643.60 | 12,595.08 |
| Summary of significant accounting policies | 1 & 2 | | |
| The accompanying notes are an integral part of the financial statements | 27 to 42 | | |

As per our report of even date

For A.K. Bagadia & Co.

Chartered Accountants
Firm Registration No. 100846W

Sd/-

A K Bagadia

Proprietor
Membership NO. 30520

Place : Aurangabad
Date : 30th May 2017

For and on behalf of the board of directors of **Akar Tools Limited**

Sd/-

R L Gupta

Chairman

Sd/-

Mitesh Gadhiya

Company Secretary

Place : Aurangabad
Date : 30th May 2017

Sd/-

Sunil Todi

Managing Director

Sd/-

N. K. Gupta

Director

Statement of Profit & Loss for the year ended 31st March 2017

(₹ in Lakhs)

| | Notes | 31st March 2017 | 31st March 2016 |
|---|----------|------------------|------------------|
| Continuing Operations | | | |
| Revenue | | | |
| Revenue from operations (gross) | 19 | 20,778.63 | 20,254.51 |
| Less: Excise duty | | -1,805.56 | -1,799.03 |
| Revenue from operations (net) | | 18,973.07 | 18,455.48 |
| Other income | 20 | 12.03 | 15.52 |
| Total revenue (I) | | 18,985.10 | 18,471.00 |
| Expenses | | | |
| Cost of raw material and components consumed | 21 | 11,810.96 | 12,056.76 |
| Changes in inventories of finished goods and work-in-process and stock in trade | 22 | 316.52 | 80.70 |
| Employee benefits expense | 23 | 1,576.00 | 1,364.36 |
| Finance costs | 24 | 714.88 | 670.53 |
| Depreciation and amortization expense | 11 | 314.27 | 289.52 |
| Other expenses | 25 | 3,865.66 | 3,725.29 |
| Total expenses (II) | | 18,598.29 | 18,187.17 |
| Profit before tax and exceptional items | | 386.81 | 283.83 |
| Exceptional items | 26 | 15.33 | 0.05 |
| Profit before tax | | 402.14 | 283.88 |
| Tax expenses | | | |
| Current tax expense for the year | | 119.56 | 116.41 |
| Current tax expense relating to prior years | | - | -28.74 |
| Net current tax expense | | 119.56 | 87.67 |
| Deferred tax liabilities | | 20.66 | 12.66 |
| Total tax expense | | 140.22 | 100.33 |
| Profit / (Loss) for the year | | 261.92 | 183.55 |
| Nominal value of each share in rupees | | 10.00 | 10.00 |
| Basic and diluted earnings per share in rupees on 5394005 shares | | 4.86 | 3.40 |
| Summary of significant accounting policies | 1 & 2 | | |
| The accompanying notes are an integral part of the financial statements | 27 to 42 | | |

As per our report of even date

For A.K. Bagadia & Co.

Chartered Accountants
Firm Registration No. 100846W

Sd/-
A K Bagadia
Proprietor
Membership NO. 30520

Place : Aurangabad
Date : 30th May 2017

For and on behalf of the board of directors of **Akar Tools Limited**

Sd/-
R L Gupta
Chairman

Sd/-
Mitesh Gadhiya
Company Secretary

Place : Aurangabad
Date : 30th May 2017

Sd/-
Sunil Todi
Managing Director

Sd/-
N. K. Gupta
Director

Cash Flow Statement for the year ended 31st March 2017

(₹ in Lakhs)

| | 31st March 2017 | 31st March 2016 |
|---|-----------------|------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | 402.14 | 283.88 |
| Adjustments for: | | |
| Depreciation and amortisation expenses | 314.27 | 289.52 |
| Interest expense | 714.88 | 670.53 |
| Interest income | -12.03 | -15.52 |
| Loss/(profit) on sale of Investment (net) | -15.66 | - |
| Loss/(profit) on sale of fixed assets (net) | 0.33 | -0.05 |
| Operating profit before working capital changes | 1,403.94 | 1,228.36 |
| Adjustments for changes in working capital : | | |
| Movement in trade receivables | 430.50 | -736.57 |
| Movement in Loans & Advances | -36.62 | 135.28 |
| Movement in inventories | 62.78 | -170.26 |
| Movement In other current assets | 13.03 | -6.67 |
| Movement in Long term loans and advances | 210.62 | -210.62 |
| Movement in trade and other payables | -776.62 | -126.48 |
| Cash generated from operations | -96.31 | -1,115.32 |
| Direct Taxes Paid | 121.87 | 30.61 |
| Net cash generated from operating activities (A) | 1,185.76 | 82.43 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets including work in progress | -1,031.45 | -410.11 |
| Proceeds from sale of fixed assets | 3.54 | 29.98 |
| Proceeds from sale of investments | 18.66 | - |
| Increase in unclaimed dividend accounts | -0.63 | 1.89 |
| Interest received | 12.03 | 15.52 |
| Net cash used in investing activities (B) | -997.85 | -362.72 |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds/repayment of long term borrowings | 339.36 | 780.07 |
| Proceeds from working capital finance | 268.78 | 213.02 |
| Interest paid | -714.88 | -670.53 |
| Dividend paid | -53.94 | -37.76 |
| Dividend tax paid | -8.68 | - |
| Net cash generated in financing activities (C) | -169.37 | 284.80 |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | 18.54 | 4.51 |
| Cash and cash equivalents at the beginning of the year | 135.40 | 130.89 |
| Cash and cash equivalents at the end of the year (refer note 16) | 153.94 | 135.40 |

Cash Flow Statement for the year ended 31st March 2017

(₹ in Lakhs)

| | 31st March 2017 | 31st March 2016 |
|---|-----------------|-----------------|
| Components of cash and cash equivalents: | | |
| Cash on hand | 8.54 | 5.78 |
| With banks | | |
| - on current account | 35.05 | 23.71 |
| - on unpaid dividend account | 5.07 | 5.70 |
| - on deposit account | 105.28 | 100.21 |
| Total cash and cash equivalents | 153.94 | 135.40 |
| This is the statement of cash flow referred to in our report of even date | | |

Note :

1. Cash and Cash Equivalents represent Cash and Bank Balances. (Refer Note no. 16)
2. Fixed Deposits of ₹105.27 Lakhs (Previous Year ₹100.21 Lakhs) are pledged with a bank towards Letters of Credit / Bank Guarantees.
3. Cash and Cash Equivalents include ₹5.07 Lakhs (Previous Year ₹5.70 Lakhs) of unclaimed dividend not available for use by the Company.
4. The previous year's figures have been regrouped wherever necessary.

As per our report of even date

For A.K. Bagadia & Co.

Chartered Accountants
Firm Registration No. 100846W

Sd/-

A K Bagadia

Proprietor
Membership NO. 30520

Place : Aurangabad
Date : 30th May 2017

For and on behalf of the board of directors of **Akar Tools Limited**

Sd/-

R L Gupta

Chairman

Sd/-

Sunil Todi

Managing Director

Sd/-

N. K. Gupta

Director

Sd/-

Mitesh Gadhiya

Company Secretary

Place : Aurangabad
Date : 30th May 2017

Notes to financial statements for the year ended 31st March 2017

1 CORPORATE INFORMATION

The Company is in the Business Manufacturing of hand tools, auto leaf spring, parabolic springs and Commercial automotive forgings & having its manufacturing facilities around Aurangabad, Maharashtra.

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting principles generally accepted in India, including the Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Para 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All assets and liabilities have been classified as current or noncurrent as per the company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

2.2 Use of estimates

The preparation of 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 recognized in the periods in which the results are known/materialise.

2.3 Inventories

- Raw Material is valued at cost computed on monthly average basis of the last month after providing for cost or market value of obsolescence.
- Finished goods and Work-in-Process are valued at cost or net realizable value whichever is lower. Cost for this purpose includes Raw Material, Wages, Manufacturing expenses, Production Overheads and Depreciation.
- Stores and Spares are valued at cost after considering cost of obsolescence and estimated useful life.
- Scrap is valued at net realizable value.

2.4 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments in fixed deposits with an original maturity of three months or less.

2.5 Depreciation and amortisation

Pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014 the company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of currently applied depreciation rates are as follows:-

| | Revised Useful Life |
|----------------------|---------------------|
| Buildings | 30 years |
| Carpet Road RCC | 10 years |
| Plant & Machinery | 15 years |
| Furniture & Fixtures | 10 years |
| Vehicles | 8 years |
| Office Equipments | 5 years |
| Computer | 3 years |
| Container | 3 years |

Cost of the lease hold assets are amortized over the period their respective lease.

Depreciation on assets costing ₹5000/- or below are charged @100% in the year of purchase.

Notes to financial statements for the year ended 31st March 2017

2.6 Revenue Recognition

Sale of Goods

Sales are recognised, net of return and trade discounts, on transfer of significant risks and rewards of ownership to the buyer which generally coincides with the delivery of goods to customers.

2.7 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.

2.8 Tangible Fixed Assets

Fixed Assets are stated at cost net of Cenvat credit less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, levies and all incidental expenditure attributable to bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital Work In progress

Projects under which assets are not ready for their intended use and other capital work-in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.9 Foreign currency transactions and translations

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. As per the amendment of the Companies (Accounting Standard) Rules, 2006-'AS 11' relating to 'The Effects of Changes in Foreign Exchange Rates' exchange difference arising on conversion of long term foreign currency monetary items is recorded under the head 'Foreign Currency Monetary Item Translation Difference Account' and is amortized over period not extending beyond, earlier of March 31, 2020 or maturity date of underlying long-term foreign currency monetary items.

Accounting of forward contracts

The company also uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The premium or discount arising at the inception of such forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which same is cancelled or rolled over.

2.10 Export benefits/incentives

The unutilized export benefits/incentives against exports are recognized when the entitlement to receive the benefits are established and are recorded under operating revenue.

2.11 Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments; all other investments are classified as long term investments. Long term investments are carried at cost less provision (if any) for decline in value which is other than temporary in nature. Current investments are carried at lower of cost and fair market value.

Notes to financial statements for the year ended 31st March 2017

2.12 Employees benefits

The Company's Contribution to statutory provident fund is considered as defined contribution and is charged as an expense as they fall due based on the amount on contribution required to be made.

Provisions for Retirement Benefits- Liabilities in respect of Retirement Benefits to employees are accounted for on actual payment basis. No provision is being made for Liabilities on actuarial valuation as required by Accounting Standard AS15.

2.13 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use are complete.

2.14 Segment Reporting

The company is engaged in manufacturing of hand tools and leaf springs business which, as per Accounting Standard 17 (AS-17) Segment Reporting issued by the Institute of Chartered Accountants of India, are considered the reportable business segments of the company.

2.15 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating lease. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a Straight-Line Basis.

2.16 Earnings 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. Diluted earnings per share is computed by dividing the profit /(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

The dilutive potential equity shares are adjusted for the proceeds receivable had the shares is determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

2.17 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. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognized 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 recognized 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. Current and deferred tax relating to items directly recognised in equity is recognised in equity and not in the Statement of Profit and Loss.

Notes to financial statements for the year ended 31st March 2017

2.18 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

2.19 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.20 Provisions and contingencies

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 (including retirement benefits) are not discounted to their present value and are determined based on the actual settlement of the obligation at the Balance Sheet date. Contingent liabilities are disclosed in the Notes.

2.21 Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

2.22 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations. Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.23 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.24 Other accounting policies

These are consistent with the generally accepted accounting practices.

Notes to financial statements for the year ended 31st March 2017

3 SHARE CAPITAL

(₹ in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| Authorised shares (in numbers) | | |
| 1,00,00,000 Equity shares of ₹10/- each | 1,000.00 | 1,000.00 |
| Issued, subscribed and fully paid-up shares (in numbers) | | |
| 53,94,005 Equity shares of ₹10/- each | 539.40 | 539.40 |
| Total issued, subscribed and fully paid-up share capital | 539.40 | 539.40 |

a. There is no movement of the shares outstanding during the financial year.

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. For the year ended 31 March 2017, the amount of per share dividend proposed as distributions to equity shareholders is ₹1.10 (31st March 2016: ₹1.00) which is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the assets of the company, in proportion to the number of equity shares held by the shareholders.

c. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

| | Opening Balance | Movement | Closing Balance |
|----------------------------------|-----------------|----------|-----------------|
| Equity shares with voting rights | | | |
| Year ended 31 March, 2017 | | | |
| Number of shares | 5394005 | - | 5394005 |
| Amount (₹) | 539.40 | - | 539.40 |
| Year ended 31 March, 2016 | | | |
| Number of shares | 5394005 | - | 5394005 |
| Amount (₹) | 539.40 | - | 539.40 |

d. Details of shareholders holding more than 5% shares in the company:

| Equity shares of ₹10/- each fully paid Name of Shareholder | 31 March, 2017 | | 31 March, 2016 | |
|---|----------------|--------------|----------------|--------------|
| | Nos. | % of holding | Nos. | % of holding |
| Equity shares with voting rights | | | | |
| Usha Gupta | 1117700 | 20.72 | 1117700 | 20.72 |
| R L Gupta (HUF) | 619125 | 11.48 | 619125 | 11.48 |
| R L Gupta | 444040 | 8.23 | 444040 | 8.23 |
| Akar Alloys Pvt Ltd | 429398 | 7.96 | 429398 | 7.96 |
| Narendrakumar Gupta | 394850 | 7.32 | | |
| Nitin Gupta | 317200 | 5.88 | | |
| Kamlesh Gupta | | | 600000 | 11.12 |

Notes to financial statements for the year ended 31st March 2017

4 RESERVES AND SURPLUS

(₹ in Lakhs)

| | | As at 31 March, 2017 | As at 31 March, 2016 |
|---|--|-------------------------|-------------------------|
| a Securities premium account | | | |
| Balance as per last financial statements (A) | | 351.00 | 351.00 |
| b General Reserve | | | |
| Balance as per last financial statements | | 315.19 | 302.10 |
| Less: Provisions and Adjustments for earlier years | | -8.21 | -1.91 |
| Add: Amount transferred from statement of Profit and Loss | | 15.00 | 15.00 |
| Closing Balance (B) | | 321.98 | 315.19 |
| c Surplus in the statement of Profit and Loss | | | |
| Balance as per last financial statements | | 1,291.82 | 1,189.21 |
| Profit for the year | | 261.92 | 183.55 |
| | | 1,553.75 | 1,372.76 |
| Less: Appropriations | | | |
| Proposed final equity dividend | | - | 53.94 |
| Tax on proposed equity dividend | | - | 12.00 |
| Transfer to general reserve | | 15.00 | 15.00 |
| Total appropriations (C) | | 15.00 | 80.94 |
| Net surplus in the statement of Profit and Loss | | 1,538.74 | 1,291.82 |
| d Total reserves and surplus (A+B+C) | | 2,211.72 | 1,958.01 |

5 LONG TERM BORROWINGS

(₹ in Lakhs)

| | 31 March, 2017 | | 31 March, 2016 | |
|-------------------------------------|-----------------|---------------|-----------------|---------------|
| | Non Current | Current | Non Current | Current |
| Secured | | | | |
| Term Loan from Banks | | | | |
| In Rupee | 320.63 | 71.92 | 175.87 | 35.17 |
| Term Loan from Financial Institute | | | - | - |
| In Rupee | 152.12 | 115.29 | 88.31 | 75.21 |
| Vehicle Loans | 120.12 | 27.39 | 34.34 | 9.30 |
| Unsecured | | | - | - |
| Others (Including Interest Accrued) | 826.50 | - | 781.50 | - |
| Total | 1,419.37 | 214.60 | 1,080.02 | 119.68 |

- a) Rupee term loan from Canara Bank carries interest rate of MCLR+4.50%= 12.90% p.a.(floating), The loan is repayable after a moratorium period of 3 months from the Date of Commencement of Commercial Operations in 72 monthly instalment of ₹6.25 Lakhs and Interest to be paid as and when due.
- b) Rupee term loans from Siemens Financial Services Private Limited carries interest @ 13% to 14.5% p.a., This loan is repayable in 4 years.

Notes to financial statements for the year ended 31st March 2017

5 LONG TERM BORROWINGS (contd.)

- c) Vehicle loans taken from Punjab National Bank Ltd, HDFC Bank Ltd carries interest @ 8.45 to 10.65% p.a., This loan is repayable in 7 years.
- d) Unsecured loan received from Akar Industries Private Limited for ₹500 Lakhs carries interest @ 12% p.a., This loan is repayable in at the end of 7 years.
- e) Unsecured loan received from Macotax Consultant Private Limited for ₹250 Lakhs carries interest @ nil% p.a., This loan is repayable in 9 years.
- f) Details of security for each type of borrowings.
- (i) Rupee term loan from Canara Bank is secured by first charged by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the company, both present & future except excluded assets, subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.
- The above term loan and working capital loan from canara bank is also further secured by personal guarantees of some Directors and collateral security by way of mortgage of Land and Building of M/s Gupta Concast Ltd.
- (ii) Rupee term loan from Siemens Financial Services Private Limited is secured by exclusive hypothecation over assets funded by SFSP.
- (iii) Vehicle Loans are secured by way of hypothecation of respective motor vehicles purchased.

6 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|--|-------------------------|-------------------------|
| Deferred Tax Liability : | | |
| Opening Balance | 420.70 | 408.05 |
| Difference in value of Fixed assets due to depreciation and other allowances | | |
| Transfer to Retained Earning | - | - |
| Deferred Tax Expense/(Saving) charge to Profit & Loss | 20.66 | 12.66 |
| Deferred tax liabilities (net) | 441.36 | 420.70 |

7 SHORT TERM BORROWINGS

| | | |
|--|-----------------|-----------------|
| Secured | | |
| From banks | | |
| Working Capital / Short Term Loan From Banks | 3,548.19 | 3,279.41 |
| Total | 3,548.19 | 3,279.41 |

Notes:

- a) Cash credits/ short term loans/ export packing credits are secured/to be secured by hypothecation of inventories, trade receivable and second charge on fixed assets secured to financial institutions except assets exclusively charged and also further secured by personal guarantees of some of the Directors and collateral security by way of mortgage of Land and Building of M/s Gupta Concast Ltd.
- b) Cash credit/short term loans /export packing credit of ₹48.30 crores sanctioned by Canara Bank is repayable on demand and carries interest @ MCLR+4.00%= 12.45% per annum.

Notes to financial statements for the year ended 31st March 2017

8 TRADE PAYABLES

(₹ in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|--------------------------|-------------------------|-------------------------|
| Acceptances | 803.43 | 747.88 |
| Other than Acceptances * | 3,014.32 | 4,157.38 |
| Total | 3,817.75 | 4,905.26 |

*Based on the information available with the Company, there are no dues outstanding in respect of Micro, Small and Medium Enterprises at the balance sheet date. No amounts were payable to such enterprises which were outstanding for more than 45 days. Further, no interest during the year has been paid or payable in respect thereof. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditor.

9 OTHER CURRENT LIABILITIES

| | | |
|---|---------------|---------------|
| Current maturities of long term debt (refer note 5) | 214.60 | 119.68 |
| Statutory dues payable | 210.89 | 41.37 |
| Advance received from customers | 105.96 | 25.10 |
| Unclaimed Dividend | 5.07 | 5.70 |
| Creditors for Capital Goods | - | 34.41 |
| Total | 536.52 | 226.26 |

10 SHORT TERM PROVISIONS

| | | |
|--|---------------|---------------|
| Provision For Taxation | | |
| Taxation | | |
| (Net of Advance Tax & TDS of ₹14.63 Lakhs (Previous Year | 119.56 | 113.65 |
| Advance Tax & TDS of ₹11.75 Lakhs) | | |
| Provision For Dividend | | |
| Proposed Final Dividend | - | 53.94 |
| Tax on Dividend | 9.73 | 18.41 |
| Total | 129.29 | 186.01 |

Notes to financial statements for the year ended 31st March 2017

11 FIXED ASSETS

(₹ in Lakhs)

| Assets | Gross Block | | | | Depreciation/Amortisation | | | | Net Block | | |
|---|---------------------|---------------|---------------------------|---------------------|---------------------------|---------------------------|--|---------------------------|---------------------|---------------------|---------------------|
| | As at 01.04.2016 | Additions | Deductions/ Adjustment | As at 31.03.2017 | As at 01.04.2016 | Provision for the year | Depreciation Transfer to Reserve | Deductions/ Adjustment | As at 31.03.2017 | As at 31.03.2017 | As at 31.03.2016 |
| Land | | | | | | | | | | | |
| Freehold | 155.65 | - | - | 155.65 | - | - | - | - | - | 155.65 | 155.65 |
| Leasehold * | 6.95 | - | - | 6.95 | 1.99 | 0.07 | - | - | 2.06 | 4.89 | 4.96 |
| Buildings | 1,300.65 | 12.66 | - | 1,313.31 | 457.05 | 41.32 | - | - | 498.37 | 814.94 | 843.60 |
| Carpet Road RCC | 34.86 | 11.36 | - | 46.22 | 1.74 | 1.99 | - | - | 3.73 | 42.49 | 33.12 |
| Plant & Equipment | 4,352.10 | 686.29 | 4.11 | 5,034.28 | 2,584.52 | 237.40 | -0.24 | - | 2,821.68 | 2,212.60 | 1,767.57 |
| Furniture & Fixtures | 41.08 | 3.55 | - | 44.63 | 12.37 | 3.31 | - | - | 15.68 | 28.95 | 28.70 |
| Vehicles | 136.96 | 105.55 | - | 242.51 | 72.29 | 13.90 | - | - | 86.19 | 156.32 | 64.67 |
| Office Equipment | 116.60 | 11.57 | - | 128.17 | 82.79 | 5.37 | - | - | 88.16 | 40.01 | 33.81 |
| Others (specify nature) e.g. Computer, Container etc. | 114.97 | 32.71 | - | 147.68 | 94.88 | 10.91 | - | - | 105.79 | 41.89 | 20.09 |
| Total | 6,259.81 | 863.69 | 4.11 | 7,119.40 | 3,307.64 | 314.27 | -0.24 | - | 3,621.66 | 3,497.71 | 2,952.17 |
| Previous Year | 5,981.68 | 325.63 | 47.50 | 6,259.81 | 3,033.76 | 289.52 | 1.91 | 17.57 | 3,307.64 | 2,952.17 | 2,947.91 |
| Capital Work in progress | 84.48 | 252.24 | 84.48 | 252.24 | - | - | - | - | - | 252.24 | 84.48 |

12 NON CURRENT INVESTMENTS

(₹ in Lakhs)

| | As at 31 March, 2017 | | | As at 31 March, 2016 | | |
|---|----------------------|-------------|-------------|----------------------|-------------|--------------|
| | Quoted | Unquoted | Total | Quoted | Unquoted | Total |
| Unquoted, trade investments (valued at cost unless otherwise stated) | | | | | | |
| Investment in equity instruments in other companies | | | | | | |
| 6300 (As at 31.03.2016, 9300) equity shares of Gupta Concast Ltd. of ₹100/- fully paid up | 0.00 | 6.30 | 6.30 | 0.00 | 9.30 | 9.30 |
| in Mutual Funds (Quoted) | | | | | | |
| 9544.0490 (as at 31.03.2016, 9544.0490) units of Canara Bank Robeco Short Term Fund (Regular growth) | 1.50 | 0.00 | 1.50 | 1.50 | 0.00 | 1.50 |
| Total | 1.50 | 6.30 | 7.80 | 1.50 | 9.30 | 10.80 |
| Aggregate amount of quoted investments - Gross | | | | | | |
| Cost | | | 1.50 | | | 1.50 |
| Market Value | | | 1.75 | | | 1.63 |

Notes to financial statements for the year ended 31st March 2017

13 LONG - TERM LOANS AND ADVANCES

(₹ in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| (Unsecured, Considered Good) | | |
| Capital Advances (Advances for Capital Goods) | 0.00 | 210.62 |
| Security Deposits * | 250.00 | 250.00 |
| Total | 250.00 | 460.62 |

*Security Deposit has been given to Gupta Concast Ltd against tenancy of plot no.5 & 6, MIDC, Waluj, without interest.

14 INVENTORIES (valued at lower of cost or net realisable value)

| | | |
|--|-----------------|-----------------|
| Raw Materials | 897.76 | 900.90 |
| Work-in-Progress | 2,358.81 | 2,501.93 |
| Finished goods (other than those acquired for trading) | 781.98 | 961.81 |
| Scrap & Packing Material | 30.03 | 23.60 |
| Stores & Spares | 765.58 | 508.69 |
| Total | 4,834.16 | 4,896.94 |

15 TRADE RECEIVABLES

| | | |
|---|-----------------|-----------------|
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 282.22 | 181.15 |
| Other debts | | |
| Unsecured, considered good | 2,834.86 | 3,366.43 |
| Total | 3,117.08 | 3,547.58 |

16 CASH AND BANK BALANCES

| | | |
|---|---------------|---------------|
| a Cash and cash equivalents (As per AS-3) | | |
| Balance with Banks - In Current Accounts | 35.05 | 23.71 |
| Cash on Hand | 8.54 | 5.78 |
| Total (A) | 43.59 | 29.49 |
| b Other bank balances | | |
| Earmarked balances with banks | | |
| Unpaid Dividend | 5.07 | 5.70 |
| In Deposit Accounts (with original maturity of more than 3 months and upto 12 months- under margin money) | 10.28 | 100.21 |
| In Deposit Accounts (With original maturity of more than 12 months- Under margin money) | 95.00 | - |
| (B) | 110.35 | 105.91 |
| Total (A+B) | 153.94 | 135.40 |

Notes to financial statements for the year ended 31st March 2017

17 SHORT TERM LOANS AND ADVANCES

(₹ in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Loans and Advances to Related Parties (Refer Note No.30) | 20.15 | 28.47 |
| Prepaid Expenses | 4.93 | 8.19 |
| Security Deposits | 35.51 | 35.27 |
| Loans and Advances to Employees | 1.38 | 5.23 |
| Balances with Statutory / Government authorities | 124.92 | 97.88 |
| Advances to Suppliers | 156.12 | 153.09 |
| Other loans and advances | 183.60 | 161.85 |
| Total | 526.61 | 489.99 |

18 OTHER CURRENT ASSETS

| | | |
|---|-------------|--------------|
| Interest accrued on fixed deposits with banks | 4.06 | 7.65 |
| Other Interest income | - | 9.44 |
| Total | 4.06 | 17.09 |

19 REVENUE FROM OPERATIONS

| | | | |
|---|--|------------------|------------------|
| a | Sale of products - Export Sales | 3,849.21 | 4,589.63 |
| | Sale of products - Domestic Sales | 15,584.66 | 14,526.51 |
| b | Other operating revenues * | 1,344.76 | 1,138.38 |
| | | 20,778.63 | 20,254.51 |
| | Less: | | |
| c | Excise duty | -1,805.56 | -1,799.03 |
| | Total | 18,973.07 | 18,455.48 |
| * | Other operating revenues consists of - | | |
| | Export Incentive | 173.28 | 188.98 |
| | Sales of Scrap | 1,133.09 | 909.69 |
| | Exchange Fluctuation Gain etc. | 38.39 | 39.70 |
| | Total | 1,344.76 | 1,138.38 |

20 OTHER INCOME

| | | |
|---------------------------------------|--------------|--------------|
| Interest on Fixed Deposits with Banks | 12.03 | 15.52 |
| Total | 12.03 | 15.52 |

Notes to financial statements for the year ended 31st March 2017

21 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|------------------------------|-------------------------|-------------------------|
| Opening stock | 900.90 | 831.79 |
| Add: Purchases* | 11,807.82 | 12,125.88 |
| | 12,708.72 | 12,957.67 |
| Less: Closing stock | 897.76 | 900.90 |
| Cost of material consumed | 11,810.96 | 12,056.76 |
| Material consumed comprises: | | |
| Raw material | 10,930.68 | 11,383.98 |
| Job work Expenses | 880.28 | 672.78 |
| Total | 11,810.96 | 12,056.76 |

*Includes current year nil, (Previous year ₹126.10 Lakhs inter-unit purchase)

22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| | | |
|---|---------------|--------------|
| Inventories at the end of the year | | |
| Finished goods | 781.98 | 961.81 |
| Work-in-process | 2,358.81 | 2,501.93 |
| Scrap and Packing | 30.03 | 23.60 |
| | 3,170.82 | 3,487.34 |
| Inventories at the beginning of the year | | |
| Finished goods | 961.81 | 775.47 |
| Work-in-process | 2,501.93 | 2,762.78 |
| Scrap and Packing | 23.60 | 29.80 |
| | 3,487.34 | 3,568.05 |
| Net decrease / (increase) | 316.52 | 80.70 |

23 EMPLOYEE BENEFIT EXPENSES

| | | |
|---|-----------------|-----------------|
| Salaries, wages and bonus | 1,406.20 | 1,212.46 |
| Director's Remuneration | 53.85 | 54.92 |
| Contribution to provident and other funds | 79.58 | 67.34 |
| Staff welfare expenses | 36.37 | 29.64 |
| Total | 1,576.00 | 1,364.36 |

NOTE : Liabilities in respect of Retirement Benefits to employees are accounted for on actual payment basis. No provision is being made in the accounts for Liabilities on actuarial valuation as required by Accounting Standard AS15. Amount accrued as on 31.03.2017 on account of gratuity is ₹167.83 Lakhs (net) (Previous Year ₹152.02 Lakhs (net)) and on account of Leave Encashment is ₹55.80 Lakhs. (Previous Year ₹50.87 Lakhs)

Notes to financial statements for the year ended 31st March 2017

24 FINANCE COSTS

(₹ in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|-----------------------|-------------------------|-------------------------|
| Interest expense on: | | |
| Borrowings | 487.37 | 453.55 |
| Other borrowing costs | 227.51 | 216.99 |
| Total | 714.88 | 670.53 |

25 OTHER EXPENSES

| | | |
|---|-----------------|-----------------|
| Consumption of stores and spare parts | 864.89 | 805.01 |
| Consumption of packing materials | 490.04 | 521.74 |
| Power and fuel | 1,425.65 | 1,386.79 |
| Water charges | 10.05 | 8.58 |
| Repairs and maintenance - Buildings | 16.00 | 16.40 |
| Repairs and maintenance - Machinery | 109.43 | 87.13 |
| Repairs and maintenance - Others | 13.07 | 15.19 |
| Insurance | 17.57 | 16.56 |
| Rates and taxes | 53.51 | 32.50 |
| Director's Sitting Fees | 8.88 | 5.10 |
| Communication | 15.65 | 14.50 |
| Travelling and conveyance | 99.70 | 94.84 |
| Printing and stationery | 12.27 | 11.38 |
| Freight and forwarding | 447.40 | 455.68 |
| Sales discount | 105.97 | 96.51 |
| Business promotion | 44.30 | 50.06 |
| Donations and contributions | 6.97 | 3.58 |
| Legal and professional | 83.99 | 55.03 |
| Payment to Statutory Auditors | 1.50 | 1.50 |
| Miscellaneous expenses | 38.82 | 47.19 |
| Total | 3,865.66 | 3,725.29 |
| Payments to the auditors comprises | | |
| As auditors - statutory audit | 1.25 | 1.25 |
| For taxation matters | 0.25 | 0.25 |
| Total | 1.50 | 1.50 |

26 EXCEPTIONAL ITEMS *

| | | |
|---|--------------|-------------|
| Profit/(Loss) on Sale of Investment | 15.66 | - |
| Profit/(Loss) on Sale of Fixed Assets (Machinery) | -0.33 | -0.40 |
| Profit/(Loss) on Sale of Fixed Assets (Vehicle) | - | 0.45 |
| Total | 15.33 | 0.05 |

* Exceptional items consists of Profit on Sale of Investment and Loss on sale of Machinery

Notes to financial statements for the year ended 31st March 2017

27 EARNING PER SHARE

(₹ in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| Profit after tax | 261.92 | 183.55 |
| Weighted Average No. of Equity Shares Outstanding | 5,394,005 | 5,394,005 |
| Nominal Value of shares (in ₹) | 10.00 | 10.00 |
| Basic & Diluted Earnings Per Share (In ₹) | 4.86 | 3.40 |

28 CONTINGENT LIABILITIES AND COMMITMENTS

1 Contingent Liabilities

| | | | |
|---|---|--------|--------|
| a | Guarantees issued by banks on behalf of the company and outstanding | 205.65 | 171.48 |
| b | Liabilities against the Company not acknowledged as debts | | |
| | for Income tax | 163.37 | 41.95 |
| | for sales tax | - | 19.64 |
| | for TDS | 28.98 | - |
| | for Excise (Service Tax) | 10.37 | - |
| | for Provident Fund | 8.02 | - |
| c | Foreign Bills and Inland bills discounted and outstanding | 200.15 | 346.53 |
| d | Letters of Credit for Purchases | 355.00 | 418.62 |
| e | The company has given performance guarantees and /or guarantees against loans given from karvy Finance to Akar Industries Pvt.Ltd | 175.00 | 175.00 |

2 Commitments

| | | | |
|---|--|-------|-------|
| a | Capital Commitments | 17.56 | 39.87 |
| | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | | |

b Unpaid Dividend

(₹ in Lakhs)

The following table gives information relating to the outstanding dividend account and due dates for claiming

| Financial Year | Date of Declaration | Last date for claiming the dividend | Amount outstanding as on 31.03.2017 |
|----------------|---------------------|-------------------------------------|-------------------------------------|
| 2009-10 | 24/9/2010 | 23/9/2017 | 0.78 |
| 2010-11 | 26/9/2011 | 25/9/2018 | 0.76 |
| 2011-12 | 29/9/2012 | 28/9/2019 | 0.42 |
| 2012-13 | 27/9/2013 | 26/9/2020 | 0.43 |
| 2013-14 | 29/9/2014 | 28/9/2021 | 0.57 |
| 2014-15 | 30/9/2015 | 29/9/2022 | 0.56 |
| 2015-16 | 30/9/2016 | 23/9/2023 | 0.98 |

Notes to financial statements for the year ended 31st March 2017

29 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006.

(₹ in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|--|-------------------------|-------------------------|
| The principal amount due and remaining unpaid to any supplier as at the end of each accounting year. | 137.81 | 394.87 |

30 RELATED PARTY DISCLOSURE

Information given in accordance with the requirements of Accounting Standard 18 - Related Party disclosures notified by Ministry of Corporate Affairs Under sub section (3C) of Section 211 of the Companies Act, 1956 read with General circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs

1 Name of the party and relationships

| SL No. | Description of Relationship | Name of Related Parties |
|--------|--|--|
| 1 | Enterprises over which Key Managerial Personnel are able to exercise significant influence | R.L. Steels & Energy Ltd. |
| | | Akar Alloy Pvt Ltd |
| | | Aurangabad Forgings P Ltd. |
| | | Gupta concast Ltd |
| | | Santh Eknath Rolling Mills Pvt Ltd |
| | | Akar Industries Pvt Ltd |
| | | Akar Minerals Pvt Ltd |
| | | Lavanya Investments Pvt Ltd. |
| | | Shatrunji Investments Pvt Ltd |
| 2 | Key Management Personnel | Mr. R L Gupta - Chairman |
| | | Mr. Sunil Todi - Managing Director |
| | | Mr. Pradeep Nijampurkar -Executive Diector |
| | | Mr. N K Gupta - Director |
| | | Mr. Mitesh Gadhiya - Company Secretary |
| 3 | Relatives of Key Management Personnel | Mr. Nitin Gupta |
| | | Mrs. Usha Devi Gupta |
| | | Mrs. Shushila Devi Gupta |

2 Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2017

(₹ in Lakhs)

| Sl No. | Particulars | Enterprises over which Key Managerial Personnel are able to exercise significant influence | | Key Management Personnel | | Relatives of Key Management Personnel | | Total | |
|----------|--|--|----------|--------------------------|---------|---------------------------------------|---------|----------|----------|
| | | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| | Part 1: Transaction During the Period | | | | | | | | |
| 1 | Sale of Goods | | | | | | | | |
| | R.L. Steels & Energy Ltd | 1,557.72 | 1,173.30 | | | | | 1,557.72 | 1,173.30 |

Notes to financial statements for the year ended 31st March 2017

30 RELATED PARTY DISCLOSURE (contd.)

(₹ in Lakhs)

| SI No. | Particulars | Enterprises over which Key Managerial Personnel are able to exercise significant influence | | Key Management Personnel | | Relatives of Key Management Personnel | | Total | |
|----------|--|--|----------|--------------------------|---------|---------------------------------------|---------|----------|----------|
| | | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| 2 | Purchase of Goods | | | | | | | | |
| | R.L. Steels & Energy Ltd | 9,492.62 | 7,533.31 | | | | | 9,492.62 | 7,533.31 |
| | Akar Industries Pvt Ltd. | - | 2,264.68 | | | | | - | 2,264.68 |
| 3 | Loan/Advances Given | | | | | | | | |
| | Shushila Devi Gupta | | - | | | | -49.35 | - | -49.35 |
| | Akar Alloys Pvt Ltd. | - | 14.35 | | | | | - | 14.35 |
| | Akar Industries Pvt Ltd. | - | -500.00 | | | | | - | -500.00 |
| 4 | Rent Expenses | | | | | | | | |
| | Aurangabad Forgings P Ltd. | 3.00 | 3.00 | | | | | 3.00 | 3.00 |
| | Gupta Concast Ltd | 6.00 | 6.00 | | | | | 6.00 | 6.00 |
| | Shatrunji Investments Pvt Ltd | 0.78 | 0.78 | | | | | 0.78 | 0.78 |
| 5 | Interest Expenses | | | | | | | | |
| | Akar Industries Pvt Ltd. | 50.00 | 35.00 | | | | | 50.00 | 35.00 |
| 6 | Remuneration | | | | | | | | |
| | Sunil Todi | | | 41.75 | 41.75 | | | 40.67 | 41.75 |
| | Mr. Pradeep Nijampurkar | | | 13.18 | 13.18 | | | 13.18 | 13.18 |
| | Radhamohan Garg | | | 10.11 | 20.24 | | | 10.11 | 20.24 |
| | Rajashree V Dubey | | | 1.58 | 3.52 | | | 1.58 | 3.52 |
| | Mitesh Gadhiya | | | 5.70 | - | | | 5.70 | - |
| | Part 2: Balance at the end of the period | | | | | | | | |
| 1 | Trade Payable | | | | | | | | |
| | R.L. Steels & Energy Ltd | 1,875.33 | 1,969.36 | | | | | 1,875.33 | 1,969.36 |
| | Akar Industries Pvt Ltd | - | 1.49 | | | | | - | 1.49 |
| | R.L. Gupta | - | 0.90 | | | | | - | 0.90 |
| | N.K. Gupta | - | 12.00 | | | | | - | 12.00 |
| | Shatrunji Investments Pvt Ltd | 1.56 | 0.78 | | | | | 1.56 | 0.78 |
| | Gupta concast Ltd | 23.00 | 22.60 | | | | | 23.00 | 22.60 |
| 2 | Loans & Advances | | | | | | | | |
| | Aurangabad Forgings P Ltd. | 2.30 | 5.00 | | | | | 2.30 | 5.00 |
| | Akar Alloy Pvt Ltd | 14.35 | 14.35 | | | | | 14.35 | 14.35 |
| | Lavanya Investments Pvt Ltd. | 3.50 | 3.50 | | | | | 3.50 | 3.50 |
| 3 | Security Deposits (Agt Rent) | | | | | | | | |
| | Gupta concast Ltd | 250.00 | 250.00 | | | | | 250.00 | 250.00 |
| 4 | Unsecured Loan | | | | | | | | |
| | Akar Industries Pvt Ltd. | 576.50 | 531.50 | | | | | 576.50 | 531.50 |
| 5 | Investment in Shares (Unquoted) | | | | | | | | |
| | Gupta Concast Ltd | 6.30 | 9.30 | | | | | 6.30 | 9.30 |
| 6 | Managerial Remuneration (payable/recoverable) | | | | | | | | |
| | Sunil Todi | | | 0.51 | 0.84 | | | 0.51 | 0.84 |

Notes to financial statements for the year ended 31st March 2017

30 RELATED PARTY DISCLOSURE (contd.)

Disclosure required under section 186 (4) of the Companies Act, 2013.

- a Included in loans and advances to related parties are advances given to related parties the particulars of which are disclosed below as required by Section 186(4) of the Companies Act, 2013.

(₹ in Lakhs)

| Name | Rate of Interest | 31.03.2017 | 31.03.2016 | Purpose |
|-----------------------------|------------------|------------|------------|------------------------------|
| Akar Alloy Pvt Ltd | N.A. | - | 14.35 | Advance receivable on demand |
| Aurangabad Forgings Pvt Ltd | N.A. | -2.70 | 5.00 | Advance against rent payable |
| Lavanya Finvest Pvt Ltd | N.A. | - | 3.50 | Advance receivable on demand |

31 SEGMENT REPORTING

The Company is engaged in the business of "Hand Tools " and "Leaf Spring" which, as per the Accounting Standard – 17 Segment Reporting are considered as the only reportable primary business segments.

(₹ in Lakhs)

| | For the year ended 31st March, 2017 | | | For the year ended 31st March, 2016 | | |
|-------------------------------|--|-----------------|------------------|--|-----------------|------------------|
| | Business segments | | Total | Business segments | | Total |
| | Hand Tools | Leaf Spring | | Hand Tools | Leaf Spring | |
| Revenue | | | | | | |
| Revenue from Operation | 12,423.82 | 6,561.28 | 18,985.10 | 12,586.17 | 5,884.83 | 18,471.00 |
| Total Revenue | 12,423.82 | 6,561.28 | 18,985.10 | 12,586.17 | 5,884.83 | 18,471.00 |
| Results | | | | | | |
| Segment Results | 191.68 | 210.46 | 402.14 | 541.61 | -257.73 | 283.88 |
| other Information | | | | | | |
| Segment Assets | 8,129.24 | 4,506.56 | 12,635.80 | 10,506.16 | 2,078.12 | 12,584.28 |
| Investments | 7.80 | - | 7.80 | 10.80 | - | 10.80 |
| Total | 8,137.04 | 4,506.56 | 12,643.60 | 10,516.96 | 2,078.12 | 12,595.08 |
| Segment Liabilities | 2,118.85 | 7,332.27 | 9,451.12 | 4,680.41 | 4,996.54 | 9,676.96 |
| Share Capital & Reserve | 5,530.84 | -2,779.72 | 2,751.12 | 5,369.85 | -2,872.44 | 2,497.41 |
| Un-allocable D. Tax Liability | 487.35 | -45.99 | 441.36 | 466.69 | -45.99 | 420.70 |
| Total | 8,137.04 | 4,506.56 | 12,643.60 | 10,516.96 | 2,078.12 | 12,595.08 |

Notes to financial statements for the year ended 31st March 2017

32 DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

a VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL CONSUMED

| | As at 31 March, 2017 | | As at 31 March, 2016 | |
|--------------|----------------------|------------------------|----------------------|------------------------|
| | ₹ | % of Total Consumption | ₹ | % of Total Consumption |
| Imported | 64.58 | 0.59% | 67.12 | 0.59% |
| Indigenous | 10,866.10 | 99.41% | 11,316.86 | 99.41% |
| Total | 10,930.68 | 100.00% | 11,383.98 | 100.00% |

b VALUE OF IMPORTED AND INDIGENOUS STORES & SPARES CONSUMED

| | As at 31 March, 2017 | | As at 31 March, 2016 | |
|--------------|----------------------|------------------------|----------------------|------------------------|
| | ₹ | % of Total Consumption | ₹ | % of Total Consumption |
| Imported | 4.62 | 0.53% | 5.07 | 0.63% |
| Indigenous | 860.27 | 99.47% | 799.94 | 99.37% |
| Total | 864.89 | 100.00% | 805.01 | 100.00% |

33 EARNINGS AND EXPENSES IN FOREIGN CURRENCY AND CIF VALUE OF IMPORTS

(₹ in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|--|-------------------------|-------------------------|
| a CIF Value of Imports | | |
| Raw Material & Traded Goods | 64.58 | 67.12 |
| Stores & Spares | 4.62 | 5.07 |
| Capital Goods-Advance | - | 179.21 |
| b Expenditure in foreign currency | | |
| Foreign Travelling | 26.99 | 36.88 |
| Commission | 8.41 | 11.37 |
| c Earnings in foreign currency | | |
| Value of Export Sales (FOB Basis) | 3,849.21 | 4,589.63 |

34 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

(₹ in Lakhs)

| Year of remittance (ending on) | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| Number of non-resident shareholders | 17 | 15 |
| Number of equity shares held on which dividend is due | 17850 | 17600 |
| Amount remitted (₹ in Lakhs) * | 0.18 | 0.12 |
| Year to which dividend relates | 2015-16 | 2014-15 |

*Dividend of ₹0.18 Lakhs (previous year ₹0.12 Lakhs) credited to FCNR/ NRE account of NRI's and paid to overseas Corporate Bodies on repatriation basis.

Notes to financial statements for the year ended 31st March 2017

35 DERIVATIVE INSTRUMENTS

- a The company enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party to such forward contracts is a bank. These contracts are entered into to hedge the foreign currency risks on outstandings. Details of forward contracts outstanding as at the year end.

| Currency | Expouse to buy / sell | As at 31 March, 2017 | | As at 31 March, 2016 | |
|------------|-----------------------|----------------------------|-------------|----------------------------|-------------|
| | | Amount in Foreign currency | Amount in ₹ | Amount in Foreign currency | Amount in ₹ |
| US Dollars | | 0.00 | 0.00 | 0.00 | 0.00 |

- b Foreign currency exposure at the year end not hedged by derivative instruments.

| Particulars | Exposure in foreign currency | (₹ in Lakhs) | |
|------------------------------|------------------------------|----------------------|----------------------|
| | | As at 31 March, 2017 | As at 31 March, 2016 |
| Trade Receivables | USD | 518.27 | 810.08 |
| Advance payment to suppliers | EURO | 0.00 | 179.21 |

- 36 Confirmations for Loans and avances and creditors and debtors in some cases have not been received. Any adjustment in respect of these, if any, will be done by the company in the year in which the same is cretilised.

- 37 Investors' Protection Fund : A sum of ₹0.66 Lakhs relating to Financial Year 2008-09 is transferred to the credit of Investors' Protection Fund and there is no due and outstandingfor transfer to the credit of the Investors' Protection Fund as on 31.03.2017 (Previous Year ₹0.97 Lakhs).

- 38 Sales and Purchases includes ₹ NIL, inter unit sales and purchases. (Previous Year : ₹126.09 Lakhs). It has no effect on the profitability of the company.

39 Specified Bank Notes

During the year, the Company had Specified Bank Notes (SBN) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. As required under that notification, the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are given below :

| Particulars | (₹ in Lakhs) | | |
|--|--------------|--------------------------|-------------|
| | SBNs | Other Denomination Notes | Total |
| Closing Cash in hand as on 08.11.2016 | 2.50 | 10.31 | 12.81 |
| (+) Permitted Receipts | - | 8.78 | 8.78 |
| (-) Permitted Payments | - | 10.38 | 10.38 |
| (-) Amount deposited in Banks | 2.50 | - | 2.50 |
| Closing cash in hand as on 30.12.2016 | - | 8.71 | 8.71 |

Notes to financial statements for the year ended 31st March 2017

- 40 ₹74.92 Lakhs related to ELWAFI CO. FOR CAR SPRINGS, EGYPT, is related to export realisation and same is not seems to be realize hence it is proposed to RBI for write off the same, however provision for the same is not taken in books of accounts.
- 41 The company has decided to apply for compounding under section 441 of the Companies Act, 2013 of matter arose out of the inspection by MCA. Since the matter is not finalized its impact on the account could not be ascertained. Once the same is decided by the competent authority, the same shall be accounted for in the year in which it is determined.
- 42 Previous year's figures have been regrouped and / or reclassified wherever necessary to conform to this year's classification.

As per our report of even date

For A.K. Bagadia & Co.

Chartered Accountants

Firm Registration No. 100846W

Sd/-

A K Bagadia

Proprietor

Membership NO. 30520

Place : Aurangabad

Date : 30th May 2017

For and on behalf of the board of directors of **Akar Tools Limited**

Sd/-

R L Gupta

Chairman

Sd/-

Sunil Todi

Managing Director

Sd/-

N. K. Gupta

Director

Sd/-

Mitesh Gadhiya

Company Secretary

Place : Aurangabad

Date : 30th May 2017



AKAR TOOLS LIMITED

Regd. Office: 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai-400009

CIN: L29220MH1989PLC052305

FORM OF PROXY

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

| | |
|------------------------------|--|
| Name of Member (s) | |
| Regd. Address | |
| Email id | |
| Folio No./ DP Id & Client Id | |

I / We, being the member(s) of _____ shares of the Akar Tools Ltd, hereby appoint:

1. Name : _____ Address : _____

Email Id: _____ Signature : _____

2. Name : _____ Address : _____

Email Id: _____ Signature : _____

as my/our Proxy to attend and vote (on a poll) for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on Friday, 22nd September, 2017 at 11:00 A.M. and at any adjournment thereof in respect of resolution as are indicated below:

| Resolution No. | Description | For | Against |
|-------------------|--|-----|---------|
| Ordinary Business | | | |
| 1 | Adoption of the Audited Statement of Profit and Loss for the Financial Year ended 31st March, 2017, the Balance Sheet as on that date, the Board and Auditor's Report thereon. | | |
| 2 | Declaration of dividend on equity shares for the Financial Year ended 31st March, 2017 | | |
| 3 | Appoint a Director in place of Mr. P. M. Nijampurkar who retires by rotation and being eligible, offers himself for re-appointment | | |
| 4 | Appointment of M/s Jaju and Kabra, as Statutory Auditors to hold office from conclusion of this AGM until the conclusion of Thirty-Third AGM and to fix their remuneration | | |
| Special Business | | | |
| 5 | Appointment and ratification of remuneration of Cost Auditor M/s B.R. Chandak & Associates, Cost Accountant | | |
| 6 | Change of name of the Company from Akar Tools Limited to Akar Auto Industries Limited | | |
| 7 | Sub-Division of One Equity Shares from the Face Value of ₹10/- per share to ₹5/- per share. | | |
| 8 | Alteration of the Memorandum of Association of the Company. | | |
| 9 | Alteration of the Articles of Association of the Company. | | |
| 10 | Approval for Material Related Party Transactions. | | |

Signed this _____ day of _____ 2017

Signature of shareholder: _____

Affix ₹1
Revenue
Stamp

Note: This Proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting




AKAR TOOLS LIMITED

Regd. Office: 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai-400009

CIN: L29220MH1989PLC052305

(ATTENDANCE SLIP)



| | | | |
|-----------------|--|--------------------|--|
| Regd. Folio No. | | Name | |
| DP ID | | No. of Shares held | |
| Client ID | | Proxy No. | |

I hereby record my presence at the 28th Annual General Meeting of the Company held at Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai- 400021 on Friday, 22nd September, 2017 at 11.00 A.M.

Member/Proxy's Name (in block letter)

Member/Proxy's Signature

NOTE: Member/Proxy attending the Meeting must fill in this Attendance Slip and hand it over at the Entrance of the Venue of the Meeting.





BOOK-POST



AKAR TOOLS LIMITED
Registered office
304, Abhay Steel House
Baroda Street, Carnac Bunder
Mumbai - 400009