



AKAR TOOLS LTD.  
EMPOWERING YOU WITH EXCELLENCE

Akar Tools Limited  
Annual report 2015-16

**O** Focussed  
On growth

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# Corporate Information

## **BOARD OF DIRECTORS**

Shri. R.L. Gupta - *Chairman*

Shri Sunil Todi - *Managing Director*

Shri. N.K. Gupta - *Non Executive Director*

Shri P. M. Nijampurkar - *Director*

Shri V K Chopra - *Independent Director*

Capt Surendra Nath Shukla IRS (retd) - *Independent Director*

Smt. Shilpa Sharma - *Independent Director*

## **COMPANY SECRETARY**

Ms. Rajashree V. Dubey

## **CHIEF FINANCE OFFICER**

Shri Radhamohan Garg

## **AUDITORS**

M/s A. K. Bagadia & Co.

## **BANKERS**

Canara Bank

## **REGISTERED OFFICE**

304, Abhay Steel House

Baroda Street, Carnac Bunder

Mumbai - 400009.

## **ADMINISTRATIVE AND CORPORATE OFFICE**

E-5, MIDC Area, Waluj

Aurangabad-431136

Maharashtra.

## **REGISTRAR & SHARE TRANSFER AGENTS**

Big Share Services Pvt. Ltd.

E-2, Ansa Indl. Estate,

Sakivihar Road, Saki Naka, Andheri (e),

Mumbai-400072

## **FACTORY'S**

Unit I: E- 5, MIDC, Waluj, Aurangabad, M.S-431 136

Unit II : C-5/6, MIDC, Waluj, Aurangabad, M.S- 431 136

Unit III : Gut No- 24-25, Paithan Road, Chitegaon,

Aurangabad, M.S- 431 107

Unit IV : Plot No G-45 & 46, MIDC, Chikalthana Jalna Road,

Aurangabad-431 210

# Notice to Members

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of Akar Tools Ltd will be held on Friday, 30th September, 2016 at 11.00 a.m. at Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai-400021 to transact the following businesses:

## AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet and the Statement of Profit & Loss Accounts alongwith Cash Flow Statement and Notes to Accounts for the year ended 31st March, 2016 together with the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend for the Financial Year ended 31st March, 2016.
3. To appoint a Director in place of Shri. R. L. Gupta (holding DIN 00061861), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Sunil Todi (holding DIN:00061952), who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of Statutory Auditors of the Company, and, if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rule, 2014 the members of the Company do hereby ratify the appointment of M/s A. K. Bagadia & Co (Registration No FRN100846W) Chartered Accountants as Statutory Auditors of the Company to hold office upto the conclusion of 28th Annual General Meeting, who were appointed in the 25th Annual General Meeting (held on 29th September, 2014) to hold office for a period of 3years until the conclusion of the 28th Annual General Meeting, on a remuneration plus reimbursement of out-of-pockets expenses, as

may be mutually agreed to between the Board of Directors and the Auditors.”

## AS SPECIAL BUSINESS:

6. **Fixation of the remuneration of the Cost Auditors of the Company for the financial year 2016-17.**

To Consider and if thought fit, to pass with or without modifications, 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 Rs. 45,000/- plus service tax and out of pocket expenses 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, 2016 till 31st March, 2017”.

7. **Re-designation of Shri. Pradeep Nijampurkar (DIN- 01805132) as Whole Time Director:**

To Consider and if thought fit, to pass with or without modification the following resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V and all other applicable provisions, (including and statutory amendment, modification or re-enactment thereof for time being in force), consent of the members be and is hereby accorded to re-designate (change in designation) of Shri. Pradeep Nijampurkar (DIN- 01805132) as Whole Time Director of the Company for a period of 3 years with effect from 01.04.2016 upon the terms

and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Shri. Pradeep Nijamprkar.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

8. **Adoption of New Sets of Articles of Association of Company inter-alia pursuant to the Companies Act, 2013**

To Consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 5 and 14 of Companies Act, 2013 (the Act) Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for time being in force), the new set of Articles of Association pursuant to the Act primarily based in the Form of table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard

at any stage without requiring the Board to secure any further consent or approval of the members of the Company to the end and the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

9. **Amendment (s) to Memorandum of Association of the Company**

To Consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to provisions of section 13 of the Companies Act, 2013(“the Act”), read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for time being in force), and such other rules and regulations, as may be applicable, the consent of the Company be and is hereby accorded for alteration of Memorandum of Association of the Company by deleting Clause C- OTHER OBJECTS and accordingly Memorandum of Association will no longer carry Other Objects.

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Company to the end and the intent that they shall be deemed to have given their approval thereto

expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

#### On behalf of the Board of Directors

Place: Aurangabad  
Date: 12th August, 2016

**Rajashree V. Dubey**  
Company Secretary

CIN: L29220MH1989PLC052305  
Website: www.akartoolsltd.com  
E-mail: corporate@akartoolsltd.com  
Reg. Office: 304, Abhay Steel House,  
Baroda Street, Carnac Bunder,  
Mumbai- 400009.

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### NOTES FOR MEMBERS' ATTENTION

As Akar Tools Ltd, being a listed company and having more than 1000 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 27th 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. 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 per cent 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 26th September, 2016 to 30th September, 2016 (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 24th September, 2016.
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 atleast 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 E-2, Ansa Indl Estate, Sakivihar Road, Saki Naka, Andheri (e), Mumbai-400072, 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. Members may also that the Notice of the 27th Annual General Meeting and the Annual Report 2015-16 will also be available on the Company's website [www.akartoolsltd.com](http://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](mailto:corporate@akartoolsltd.com).
  16. 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.
  17. **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 27th 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, 23rd September, 2016 (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 26th September, 2016 at 9.00 a.m and ends on 29th September, 2016 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 23rd September, 2016 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](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. 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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"> <li>• 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.</li> <li>• 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.</li> </ul>
Dividend Bank Details <b>OR</b> 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"> <li>• 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).</li> </ul>

- (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 the relevant <Company Name> on which you choose to vote.
- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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. Shri Pankaj S Desai (COP No 4098), 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.
- V The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.akartoolsltd.com](http://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.

## Explanatory Statement

(Pursuant to Section 102 (1) of the Companies Act, 2013.)

### ITEM NO 6:

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 12th August, 2016 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 Rs. 45,000/- (Rupees Forty Five Thousand Only) plus service tax as applicable for the Financial Year ending 31st March, 2017.

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.

The Board of Directors recommends the proposed resolution for your approval.

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.

### ITEM NO 7:

Shri. Pradeep Nijampurkar has been Re-designated as Whole Time Director of the company by the Board of Directors with effect from 01.04.2016, for a period of three(3) years, pursuant to the provisions of the Companies Act, 2013.

Shri. Pradeep Nijampurkar was initially appointed as Director on 31st July, 2007. Shri Nijampurkar, aged 58 years, is a MBA in Human Resources. He is having 35 years of vast experience in steel industries, hand tools industries & Forging industries in the field of Human Resources.

Considering the significant growth achieved by the Company and the ambitious growth plan for immediate future, the responsibilities borne by the Director and the industry standards, the Board of Directors of the Company at its Meeting held on 12th August, 2016 has pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the

approval of members, approved re-designation of Shri. Pradeep Nijampurkar, as the Whole Time Director under the Companies Act, 2013., for a term of 3 years w.e.f. 01.04.2016 to 31.03.2019 (both days inclusive).

The material terms of appointment and remuneration are given below :

1. Period of appointment : Three years effective from 01.04.2016.
2. Remuneration:
  - a) Basic Salary : As may be decided by Nomination and Remuneration Committee from time to time in the scale of 1,00,000 (Rupees one lacs only ) per month to Rs 2,00,000/- (Rupees Two lacs only) per month.
3. Perquisites :
  - a) Medical reimbursement: Expenses incurred for self and family as per the Company's rule.
  - b) Mediclaim Insurance and Personal Accident Insurance: Premium as per the Company's rule.
  - c) Club Fees : Fees of maximum two Clubs excluding admission and life membership fees.
  - d) Leave Travel Allowance : For self and family once a year in accordance with the rules of the Company.
  - e) Contribution to provident fund, superannuation fund to the extent these either singly or put together are not taxable under the Income tax act, 1961.
  - f) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
  - g) Encashment of leave at the end of the tenure.
  - h) Car : Provision for car for use on Company's business will not be considered as perquisites.
  - i) Telephone : Company will reimburse the expenses in connection with the telephone as per the rules of the company
  - j) Such other allowances, benefits, amenities, and facilities as per the Company's rules and policies.
4. Minimum Remuneration: Notwithstanding anything contained herein, where in any financial year, during the salary of the tenure of the appointee, the

company has no profits or its profits are inadequate, the company may, subject to the requisite approval, pay remuneration by way of salary, perquisites not exceeding the maximum limit laid down in Section II of Part II of Schedule V to the Companies Act, 2013, as may be agreed by the Board of Directors.

The terms and conditions of the said appointment and/or the Agreement are subject to provisions of Section 196, 197 and 198 of the Companies Act, 2013, read with Part II of Schedule V and may be altered, and varied from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

In Compliance with the provisions of the Companies Act, 2013 the appointment and the terms of remuneration specified above are now being placed before the Members in the Annual General Meeting for their approval. The Board recommends passing of the Ordinary Resolution in the best interest of the company.

Shri Pradeep Nijampurkar does not hold by himself or for any other person on a beneficial basis, any shares in the company.

The Board considers that it would be in the interest of the Company to appoint Shri Pradeep Nijampurkar as the Whole time Director of the Company. Except Shri Pradeep Nijampurkar, no other Director is interested in the proposed resolution.

#### **ITEM NO 08:**

The Articles of Association ("AOA") of the Company is presently in force since its incorporation of the Company i.e. 21.06.1989. The existing Articles of Association are in line with the erstwhile Companies Act, 1956, which are thus no longer in full conformity with the Companies Act, 2013 (New Act) is now largely in force and substantive sections of the Act which deal with the general working of Companies stand notified. With the coming into force of the Act several articles of the existing Articles of Association of the Company require alteration/deletions. Given this position it is expedient to wholly replace the existing Articles of Association by a new set of Articles.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence the

Board Of Directors at its meeting held on 12th August, 2016 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholder's approval for the same.

In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new Articles of Association of the Company.

Your approval is sought by voting via Postal Ballot/e-voting in terms of the provisions of inter-alia, Section 14 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the registered office of the Company during the office hours or any working day.

None of the Directors and Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

#### **ITEM NO 9:**

As per the provisions of section 4 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 the Memorandum of Association of the Company will no longer carry other objects Clause. However, existing Memorandum of Association of the Company carries other objects Clause. In order to comply with Section 4 of the Act, it is proposed to alter Memorandum of Association of the Company by deleting Clause C- OTHER OBJECTS and accordingly Memorandum of Association will no longer carry other objects.

The Act provides that resolution for amending Memorandum has to be done via Postal Ballot only. Hence your approval is sought by voting via Postal Ballot/e-voting in terms of the provisions of Section 13 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014.

A copy of the proposed set of new Memorandum of Association of the Company would be available for inspection for the members at the registered office of the Company during the office hours or any working day.

None of the Directors and Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

**II. Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Directors eligible for re-appointment vide item no. 3,4,and 6 is as follows:**

<b>Name of Director</b>	<b>Shri R. L. Gupta</b>	<b>Shri Sunil Todi</b>	<b>Shri Pradeep Nijampurkar</b>
DIN	00061861	00061952	01805132
Date of Birth	31/03/1933	29/09/1963	13/07/1958
Date of Appointment	21/06/1989	16/09/2015	31/07/2007
Qualification	B Com	CA, CS	MBA(HR)
Expertise in specific functional areas	Production & Administration	Finance & Administration	Administration
List of other Directorship held in other listed Companies	NIL	NIL	NIL
Chairman/Member of the committees of the Board of other Companies in which he/she is a Director @	NIL	NIL	NIL
No of Shares held in Company	444040 equity shares of Rs. 10/- each	NIL	NIL
Relationship between Directors Interse*	Father of Shri N. K. Gupta	NIL	NIL

@ Committee positions only of Audit Committee and Shareholders'/Investors' Grievance Committee in Public Companies have been considered.

\* Under the Companies Act, 2013.

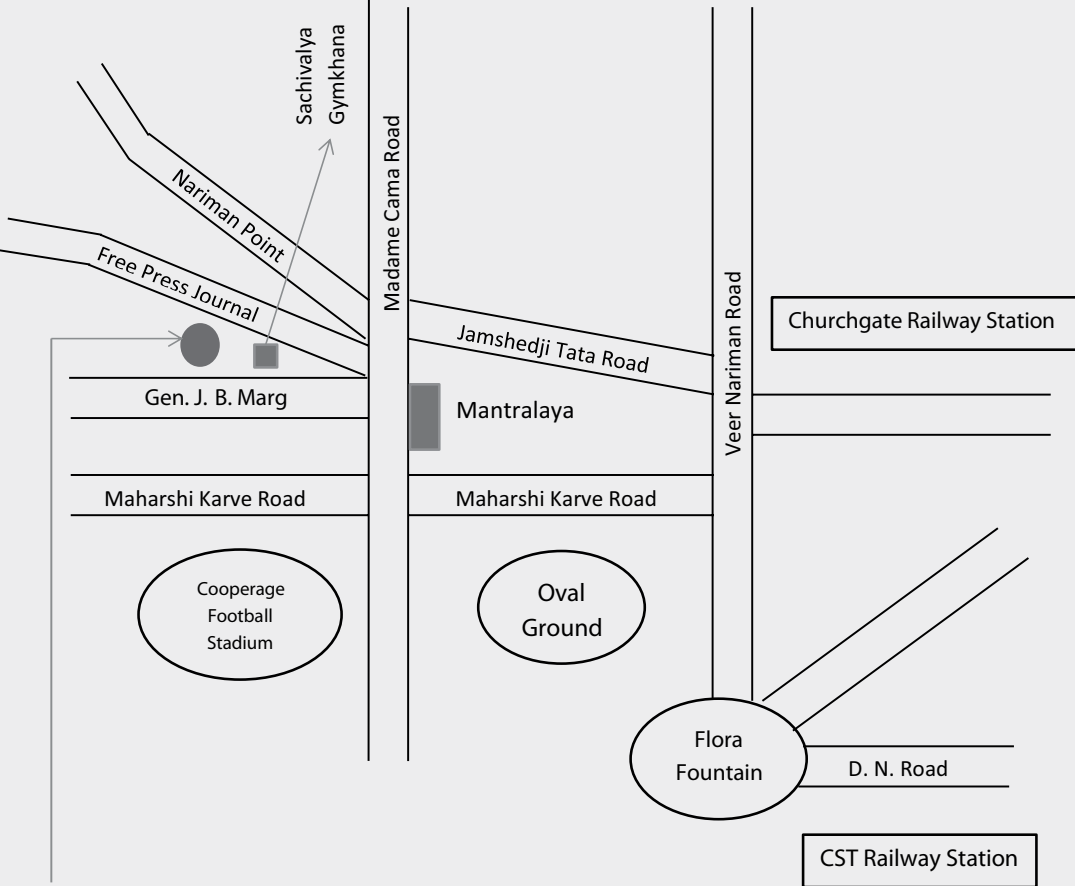
**On behalf of the Board of Directors**

Place: Aurangabad  
Date: 12th August, 2016

**Rajashree V. Dubey**  
Company Secretary

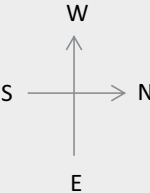
CIN: L29220MH1989PLC052305  
Website: www.akartoolsLtd.com  
E-mail: corporate@akartoolsLtd.com  
Reg. Office: 304, Abhay Steel House,  
Baroda Street, Carnac Bunder,  
Mumbai- 400009.

**ROUTE MAP TO THE VENUE OF THE 27TH ANNUAL GENERAL MEETING TO BE HELD  
ON FRIDAY, 30TH SEPTEMBER, 2016.**



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

Not to scale



# Directors' Report

(Including Management Discussion and Analysis)

Your Board of Directors are pleased to present 27th Annual report of the Company together with Audited Accounts for the year ended March 31, 2016.

## ECONOMIC ENVIRONMENT

The advance estimate of real GDP growth released in February 2016 by the Central Statistical Organisation of the Government of India suggests a pick-up from 7.2% in the previous year to 7.6% for 2015-16 (henceforth FY2016). While still short of the 8% growth that India needs to achieve, on a steady state basis, this will be a creditable achievement given the muted global economic scenario. Indeed, there have been early signs of an up-tick in both consumer demand and the beginnings of much needed growth in investments. As of now, these are more in the nature of 'green shoots'. However, if the monsoons are as good as the preliminary meteorological forecast suggests — coming as it will after two consecutive years of drought across many parts of India — then the country ought to expect higher GDP growth in 2016-17.

## INDUSTRY SCENERIO

India's economy showed gradual recovery in 2015-16. Fiscal deficit and inflation were under control. Public investment was up. Interest rates were reduced. But rural demand and private investment remained weak. The fall in global prices of oil and commodities benefited the economy and the automobile sector. However, the slowdown in the global economy led to weak export demand.

The automotive industry in general is cyclical and economic slowdowns in the recent past have affected the manufacturing sector including the automotive

and related industries in India. Persistence of negative economic trends or further deterioration in key economic factors such as growth rate, interest rates and inflation as well as reduced availability of financing for vehicles at competitive rates could materially and adversely affect the Company automotive sales in India and results of operations key for this year.

## PERFORMANCE REVIEW

The Company achieved total turnover of Rs. 18455.48 lacs against Rs.15930.49 lacs in the previous year which is more than 15.85% . The Net Profit after tax was also increased to Rs.183.55 lacs against Rs 122.68 in the previous year. This achieved by expanding the customer base and also increasing its presence of export market.

## TECHNOLOGY UPGRADATION

In order to maintain its leadership position, your Company is continuously focused on upgrading its product and manufacturing technology as well as acquire new and advanced technology to meet the emerging expectations of the customers. The R&D staff is actively involved in the development of new, cutting-edge products together with developments in new materials as well as advanced manufacturing techniques. The in-house R&D plays a major role in providing the interface between the company priorities and the adoption of the collaborators technology.

## FINANCIAL RESULTS AT A GLANCE

Particulars	(Rs. in lacs)	
	31 March, 2016	31 March, 2015
Net Revenue from operations	18455.48	15930.49
Other Income	15.52	8.29
Profit before tax and exceptional items	283.83	92.90
Exceptional items	0.05	87.77
Profit before tax	283.88	180.67
Profit After Tax	183.55	122.68
Balance Brought Forward	1189.21	1110.71
Amount available for Appropriation	<b>1372.77</b>	<b>1233.39</b>
<b>APPROPRIATIONS:</b>		
Dividend	53.94	37.76
Dividend Tax	12.00	6.42
General Reserve	15.00	0
Balance Carried Forward	1291.83	1189.21
	<b>1372.77</b>	<b>1233.39</b>
Earnings Per Share	3.40	2.27

### DIVIDEND

The Board recommended a dividend of 10% (i.e. Rs. 1.00 per share) on 53, 94, 005 equity shares of Rs.10 each for 2015-16, Subject to the approval of the Shareholders at the Annual General Meeting to be held on 30th September, 2016.

### SHARE CAPITAL

The paid up equity share capital as on March 31, 2016 was Rs.5,39,40,050, divided into 5394005 equity share of face value of Re. 10/- each.

#### A) Issue of equity shares with differential rights

The Company did not issue equity shares with differential rights during the financial year 2015-16.

#### B) Issue of sweat equity shares

The Company did not issue sweat equity shares during the financial year 2015-16.

#### C) Issue of employee stock options

The Company did not issue stock options during the

financial year 2015-16.

#### D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company does not have a scheme for purchase of its own shares by employees or by trustees for the benefit of employees.

### TRANSFER TO RESERVES

The appropriations for the year are:-

Particulars	(Rs. in lacs)	
	31 March, 2016	
General Reserve		
Balance as per last financial statements	302.10	
Less: Depreciation on Lease hold Land	-1.91	
Add: Amount transferred from statement of Profit and Loss	15.00	
Closing Balance	315.19	

## **DEPOSIT**

Your Company has not accepted any deposits, covered under Chapter V of the Companies Act, 2013 and hence no details pursuant to Rule 8(v) and 8(vi) of the Companies (Accounts) Rules, 2014 are reported.

## **PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES:**

The Particulars of loans, guarantee or investments given or made by the Company under Section 186 of the Companies Act, 2013 are disclosed at Note Nos. 11 & 28 of the financial statements.

### **Contingent Liabilities:-**

The company has given performance guarantees and /or guarantees against loans given by Karvy Finance Services Limited to Akar Industries Pvt. Ltd.

## **MATERIAL CHANGES AFFECTING FINANCIAL POSITIONS 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.

## **INVESTOR EDUCATION AND PROTECTION FUND**

Dividend which was declared by the company for the year ended March 31, 2009 at the Annual General Meeting held on 30th September, 2009 and remain unclaimed will be transferred to the Investor Education and Protection Fund of the Central Government on October 30th, 2016 pursuant to the provisions of Companies Act, 2013. Thereafter no claim shall lie on dividend for the year ended March, 2009 from the shareholders. Notice for unpaid dividend is attached with the Notice convening 27th Annual General Meeting.

## **AUDITORS**

The Shareholders of the Company in their Twenty Fifth Annual General Meeting held on 29th September, 2015 had accorded their approval pursuant to the provisions of Section 139, 141 and other applicable provisions of Companies Act, 2013 and rules made there under to appoint M/s A. K. Bagadia & Co., Chartered Accountants, as Statutory Auditor of the Company of the period of

three years commencing from the conclusion of Twenty Fifth Annual General Meeting until the conclusion of Twenty Eighth Annual General Meeting.

The Board of Directors of the Company has pursuant to the provisions of Section 139, recommended the ratification of appointment M/s A. K. Bagadia & Co, Chartered Accountants for the approval of the Shareholders from the conclusion of Twenty Seventh Annual General Meeting till the conclusion of Twenty Eighth Annual General Meeting.

The Auditor's report to the Shareholders for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

## **SECRETARIAL AUDIT**

The Secretarial Auditors, M/s Pankaj & Associates, Company Secretaries, has issued Secretarial Audit Report of the Financial Year 2015-16 pursuant to Section 204 of the Companies Act, 2013, which is annexed to the Director's Report.

## **COST AUDITOR**

Your Directors have appointed M/s B. R. Chandak & Co, Cost Accountants, as the Cost Auditors for the Financial Year 2016-17. M/s B. R. Chandak & Co, Cost Accountants will submit the cost audit report alongwith annexure to the Central Government (Ministry of Corporate Affairs) in the prescribe form within specified time and at the same time forward a copy of such report to your company.

## **SUBSIDIARIES**

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

## **CORPORATE GOVERNANCE**

Transparency is the cornerstone of your Company's philosophy and all requirements of 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. Your Board of Directors has taken all necessary steps to ensure compliance with all statutory requirements. The Directors and Key Management Personnel of your Company have complied with the approved 'Code of Ethics for Board of Directors and Senior Executives' of the Company.

The Report on Corporate Governance as required under the SEBI (Listing Obligations & Disclosure Requirements)



Regulations, 2015 forms part of and is annexed herewith marked as "Annexure – V".

## **OCCUPATIONAL HEALTH, SAFETY & ENVIRONMENT**

Your Company has effectively deployed policies on Safety, Occupational Health & Environment at all locations. It continually focus on improving the effectiveness of system processes, through globally accepted standards. Your Company develop and manufacture products that are safe, eco-friendly and economical. Our products enhance people's safety and reduce contamination to environment, also during their subsequent recycling and disposal.

Your Company design processes to ensure that people's health and safety and effects on the environment. Your company is fully prepared to deal with emergencies due to fire & safety. Your Company reviews its processes and its behavior on a regular basis and measure their effects on people and on the nature. This is the process of identifying potential for improvement, and ensures the effectiveness of our program towards work safety, people's health and the environment.

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.

## **INTERNAL CONTROL SYSTEM**

The Company has adequate internal control systems and procedures designed to effectively control the operations at its corporate office and plants. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. The Company has well designed Standard Operating Procedures. Internal Auditors conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors.

Based on the deliberations of Statutory Auditors to ascertain their views on the financial statements including the financial reporting System and Compliance to

Accounting Policies and Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Controls and System followed by the Company.

## **OUTLOOK**

The Indian automotive industry is affected materially by the general economic conditions in India and around the world. Muted industrial growth in India during FY 2015-16 along with continuing higher inflation and interest rates continue to pose risks to overall growth in this market. The automotive industry in general is cyclical and economic slowdowns in the recent past have affected the manufacturing sector including the automotive and related industries in India. Persistence of negative economic trends or further deterioration in key economic factors such as growth rate, interest rates and inflation as well as reduced availability of financing for vehicles at competitive rates could materially and adversely affect the Company automotive sales in India and results of operations key for this year.

Your company has advantage of having strong brand value, large network, widely spread product range, strong partners and collaborators relationship. It is fully prepared to meet the challenge of competition leveraging its competitive strengths of network quality, technology, product range and brand value.

## **RISK AND AREA OF CONCERN:**

Your company is exposed to various business risks. These risks are driven through external factors like economic environment, competition, regulations etc. Cost & Quality are critical success factors in current business environment. Risk of losing market share/ ability to maintain high share or losing business share with key accounts are rooted on these factors.

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 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.

## **OPPORTUNITIES AND THREATS**

Your Company has growth opportunities in industrial and automotive division's specially commercial vehicle divisions. Your Company has strategies in place to tap the potential. However the new entrants and aggressive expansion plan of existing competitors are biggest challenge. The competitive price, network strategy, technology & product quality are critical to our success. Your company has advantage of having strong brand value, large network, widely spread product range, strong partners and collaborators relationship. It is fully prepared to meet the challenge of competition leveraging its competitive strengths of network quality, technology, product range and brand value. With increasing awareness and education of the Indian customer, a range of non-vehicular products and services like spares, after sales, annual maintenance contracts etc are also gaining popularity in 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.

In addition to the above, the Company also has the advantage of a strong in-house design and development facility and professionals. The Company is focusing on increasing its global presence, as an effective hedge against domestic downturn as well as a growth opportunity.

The automotive industry, and the demand for automobiles, is influenced by 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 fuel 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. 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 in general is cyclical and economic slowdowns in the recent past have affected the manufacturing sector including the automotive and related industries in India.

## **WHISTLE BLOWER POLICY**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by

adopting the highest standards of professionalism, honesty, integrity and ethical conduct. The Company has a Whistle Blower Policy under which the employees are free to report violations of the applicable laws and regulations and Code of Conduct.

Whistle Blower Policy is available on the website of the company at [www.akartoolsLtd.com](http://www.akartoolsLtd.com).

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

On the recommendation of Nomination and Remuneration Committee, the Board re-designate Shri. Pradeep Nijampurkar, as an Whole Time Director of the Company with effect from 01.04.2016, for a further period of 3 years, subject to approval of the shareholders. We seek your approval for the appointment of Shri. Pradeep Nijampurkar as an Whole Time Director in the ensuing Annual General Meeting.

As per the provisions of the Companies Act, 2013, Shri Sunil Todi & Shri R. L. Gupta will retire by rotation at the ensuing Annual General Meeting and being eligible offered themselves for re-appointment. The Board recommends for their re-appointment.

The information on the particulars of Directors eligible for appointment in terms of regulation 33 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 has been provided in the notes to the notice convening the Annual General Meeting.

## **INDEPENDENT DIRECTORS DECLARATION**

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with provisions of Section 149 of the Companies Act, 2013 and the board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

## **BOARD MEETING**

During the year under review four Board Meetings and four Audit Committee Meetings were convened and held, the detail of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The details of constitution of the Board and its Committees are given in the Corporate Governance Report.

## **STAKEHOLDER RELATIONSHIP COMMITTEE**

Stakeholder relationship Committee comprises of Shri. N K Gupta as Chairman, Shri. Sunil Todi and Shri. Pradeep Nijampurkar as members. The details of term of reference of the Committee member, dates of meeting held and attendance of the Directors are given separately in the Corporate Governance Report.

## **AUDIT COMMITTEE**

The Audit Committee comprises of Shri V K Chopra as Chairman, Shri S N Shukla and Shri Sunil Todi as Members. The details of term of reference of the Committee member, dates of meeting held and attendance of the Directors are given separately in the Corporate Governance Report

## **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](http://www.akartoolsltd.com)

## **LISTING**

The equity shares continue to be listed on the BSE Limited (BSE). The Company has paid annual listing fee for the financial year 2016-17 to BSE..

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions those were entered during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

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.

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 under the following web-link '<http://www.akartoolsltd.com>

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis and there were no material related party transactions during the year, Form AOC – 2 is not applicable to the Company.

## **ANNUAL RETURN**

The particulars required to be furnished under section 134(3) (a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as prescribed in Form No. MGT -9 is given in Annexure 'III'.

## **DEMATERIALIZATION 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 March 31st, 2016, 97.9% of the share capital stands dematerialized.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information relating to energy conservation, technology absorption and foreign exchange earnings and outgo as required to be disclosed under the Companies (Accounts) Rules, 2014 are in Annexed-IV as a part of this Annual Report.

## **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES /INDUSTRIAL RELATION FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

The Company believes that success of any organization 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 a favorable 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.

The total number of employees of the Company as on March 31, 2016 stood at 471.

### **PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details are required under section 134 (3)(q) and 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 provided in the Board Report.

### **DISCLOSURE AS PER SEXUAL HARRASEMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention and Prohibition and Redressal) Act, 2013 read with Rule 14, the internal committee constituted under the said act.

During the year, no complaints with allegations of sexual harassment were filed with the Company.

### **ANNEXURES FORMING A PART OF DIRECTOR'S REPORT**

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report:

<b>Annexure</b>	<b>Particulars</b>
I	Particulars of Employees under Section 134(3)(q) and Section 197(12) of the Companies Act, 2013
II	Secretarial Audit Report
III	Extract of the Annual Return in Form MGT-9
IV	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
V	Corporate Governance Report

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of sub-section (5) of Section 134 of the companies act, 2013, your directors confirm that:

- 1 in the preparation of annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures.
- 2 the Directors had in consultation with Statutory Auditors, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a 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, 2016.
- 3 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 preventing and detecting fraud and other irregularities.
- 4 the Directors have prepared the annual accounts on a 'going concern' basis.
- 5 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, 2016.
- 6 The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year Ended 31st march, 2016.

### **FORWARD LOOKING STATEMENTS**

This Report contains forward-looking statements that involve risks and uncertainties.

When used in this Report, the words "anticipate", "believe", "estimate", "expect", "intend", "will" and other similar expressions as they relate to the Company and/or its businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performance or achievements

could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record the their

appreciation of the assistance and cooperation received from its bankers, customers (domestic as well as overseas), suppliers, shareholders, staff from each level and other business associates for their valuable contribution in the growth of the organization whose continuous support and cooperation has been a source of strength to the company enabling it to achieve its goals. The Directors look forward to their continued support in future.

**On behalf of the Board of Directors**

Place: Aurangabad  
Date: 12th August, 2016  
CIN: L29220MH1989PLC052305  
Website: [www.akartoolsltd.com](http://www.akartoolsltd.com)  
E-mail: [corporate@akartoolsltd.com](mailto:corporate@akartoolsltd.com)  
Reg. Office: 304, Abhay Steel House,  
Baroda Street, Carnac Bunder,  
Mumbai- 400009.

**R.L.Gupta**  
Chairman  
(DIN:00061861)

# ANNEXURE - I

## 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 2015-16.

Director's Name	Remuneration (Rs in Lakhs)	Median Remuneration (Rs. In Lakhs)	Ratio
Shri Sunil Todi	41.75	2.52	17
Shri P.M. Nijampurkar	13.18	2.52	5

\*Directors other than Executive Directors have received sitting fees for attending meeting of the Board or its Committees as disclosed in the Corporate Governance Report. The Figures are non-comparable.

2. The Percentage increase in remuneration of each Director, Chief financial officer, Company Secretary in Financial Year 2015-16.

Director's/CFO/CS Name	Designation	% increase/decrease in remuneration in the Financial Year 2015-16
Shri Sunil Todi	Managing Director	N.A.
Shri P. M. Nijampurkar	Executive Director	N.A.
Shri Radhamohan Garg,	Chief Financial Officer	5.45%
Ms. Rajashree Dubey	Company Secretary	N.A.

3. Percentage increase in the median remuneration of employees in the financial year 2015-16: 7%

4. Number of the Permanent employees on the rolls of the company as on 31.03.2016: 471

5. Explanation on the relationship between average increase in remuneration and the Company Performance.

Particulars	(Rs. in lacs)	
	2015-16	2014-15
Total Income	18,471.00	15,938.77
EBIDTA	1243.94	1027.52
EBIDTA as % of Total Income	6.7%	6.4%
PBT	283.88	180.67
PBT as % of Total Income	1.5%	1.1%

On an average, employees received an annual increase of 7% in order to ensure that remuneration reflects company's performance. The performance pay of some employees is also linked to organizational performance apart from an individual performance.

**8. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	(Rs. in lacs)	
	2015-16	2014-15
Aggregate Remuneration of Key Managerial Personal as defined u/s 203 of the companies Act,2013 in the year 2015-16	78.68	74.56
Revenue	18455.48	15930.49
Remuneration of KMP (as % of Revenue)	0.43%	0.47%
Profit Before Tax (PBT)	283.88	180.66
Remuneration of KMP (as % of PBT)	27.70%	41.3%

**9. Variations in the Market Capitalisation of the Company, Price Earnings Ratio as the Closing date of the Current Financial Year and previous financial year.**

Details	(Rs. in lacs)		
	31st March 2016	31st March 2015	% increase/ (decrease)
Price Earning Ratio	13.49	12.56	7%
Market Capitalisation	2475.85	1537.29	61%

**10. Percentage Increase over decrease in the Market Quotations of the Shares of the company in comparison to the rate at which the company came out with the last public offer:**

Details	31st March 2016 (Market Price)	Initial Issue (Year 1995-96)	% Change
Closing Price of BSE India (Rs.)	45.90	30.00	53%

**11. 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 point out if there are any exceptional circumstances for increase in the Managerial Remuneration :**

The average annual increase was around 7%.

The average increase in staff salary for the year 2015-16 was around 16%.

The average increase in Managerial Remuneration for the year 2015-16 was around 16%.

**12. Comparison remuneration of each key Managerial Personnel against the performance of the company.**

Details	Shri Sunil Todi -Managing Director	Shri P.M. Nijampurkar- Executive Director	Shri Radhamohan Garg -Chief Financial Officer	Ms. Rajshree Dubey- Company Secretary
Remuneration in FY 16 (Rs in Lakhs)	41.75	13.18	20.24	3.52
Total Revenue (Rs in Lakhs)	18455.48			
Remuneration as % of Total Revenue	0.26%	0.08%	0.13%	0.02%
Profit before tax (PBT) Rs in Lakhs	283.88			
Remuneration (as % of PBT)	23.11%	7.29%	11.20%	1.95%

**13. Key Parameter for any variable component of remuneration availed by the Director:**

No Variable remuneration was given to the Directors.

**14. The Ratio of the remuneration of the highest paid director to that of the employees who are directors but receive remuneration in excess the highest paid director during the year:** None

**15. Affirmation of remuneration is as per the remuneration policy of the company. The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the company.**

## ANNEXURE - II

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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 Akar Tools Limited's 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 covering the financial year ended on 31st March, 2016 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 Akar Tools Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rule and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(No instances for compliance requirements during the year);**
5. 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; **(No instances for compliance requirements during the year);**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable as the company is not a Registrar & Transfer Agents)**
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(No instances for compliance requirements during the year);**
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, **(No instances for compliance requirements during the year);**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(No instances for compliance requirements**

**during the year);**

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, **(No instances for compliance requirements during the year);**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, **(No instances for compliance requirements during the year);** and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**We have also examined** compliance with the applicable clauses:

1. Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE Limited); ( up to November-2015)
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from December, 2015);
3. The Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2).

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

- i. The compliance regarding passing of resolutions & filing of required forms was not done for i) keeping the books of account at a place other than registered office of the company & ii) payment of remuneration to the whole time director, Shri Pradeep Nijampurkar. However the company is in the process of complying with this requirement.
- ii. The company has filed various returns and forms under the Companies Act,2013, with the Registrar of Companies & under Listing Agreement, with the Stock Exchange, beyond the time specified in the Act and/or Rules, on payment of additional fees, wherever applicable.
- iii. The provisions of notices of board meeting, sending of agenda papers, holding of board

meetings as laid down in Secretarial Standard on Board meetings (SS-1) are concerned, they are not strictly and properly followed by the company.

- iv. There has been a delay in transferring amount of Rs. 96,674/- Which is required to be transferred to the Investor Education & Protection Fund by the company.

**We further report that** there are adequate systems & processes to ensure compliance with applicable other Laws, rules, regulations and guidelines, particularly for Labour laws, Factory act, Environment laws, as prima facie the records have been made and maintained by the company. We have not however made a detailed examination of the same with the view to determine whether they are accurate or complete. We have relied on the representation made by the Company and its Officers for the system and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure II.

**We further report that** the compliance by the company of applicable financial laws like Direct & Indirect Tax Laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial Auditor & other designated Professionals.

We have not verified the correctness & appropriateness of financial records & books of accounts of the company & hence unable to comment on the compliance with the fiscal laws.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Woman Director, Non-Executive Directors and Independent Directors.

We also report that as regards the provisions of

notices of board meeting, sending of agenda papers, holding of board meetings as laid down in the Act, they are sent to the directors by Physical/electronic means.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

**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 there were following major specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

- a) Increased the Borrowing limits upto Rs.150 Crores over and above the paid up capital & Free Reserves pursuant to Section 180(1)(c) of the Companies Act,2013.
- b) Reappointed Shri Sunil Todi, as Managing Director for a period of 5 years on the terms and conditions as per the agreement entered into with him & as mentioned in the resolution.

Place:- Mumbai

Date:- 12th August, 2016

Sd/-

Name of the Company Secretary: Pankaj S. Desai

ACS No.: 3398

C.P.No.: 4098

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

## Annexure I (Integral part of Secretarial Audit Report)

To,  
The Members,  
Akar Tools Limited,

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of

events etc.

5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place:- Mumbai

Date:- 12th August, 2016

Sd/-

Name of the Company Secretary: Pankaj S. Desai

ACS No.: 3398

C.P.No.: 4098

## Annexure II

Other laws applicable specifically to the Company

- a) The Environment (Protection) Act, 1986 and the rules made thereunder.
- b) Air (Prevention & Control of Pollution) Act, 1981 and the rules made thereunder.
- c) The Water (Prevention & Control of Pollution) Act, 1974 and the rules made thereunder.
- d) The Factory Act, 1948

Other General Laws Applicable to the company:

- 1) Employees' Provident Fund & Miscellaneous Provisions Act, 1952

- 2) Professional Tax Act, 1975 and Rules
- 3) Payment of Gratuity Act, 1972
- 4) Minimum Wages Act, 1948
- 5) Payment of Bonus Act, 1965
- 6) Shop & establishment Act, 1948
- 7) Central Excise Act, 1944.

# ANNEXURE - III

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015

(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. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(E),Mumbai-400072

### 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	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	849275	0	849275	15.74	849275	0	849275	15.74	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	929898		929898	17.23	929898		929898	17.23	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other (Directors and their relatives)	2161740		2161740	40.07	2161740		2161740	40.07	0
<b>SUB TOTAL:(A) (1)</b>	<b>3940913</b>		<b>3940913</b>	<b>73.06</b>	<b>3940913</b>		<b>3940913</b>	<b>73.06</b>	<b>0</b>
<b>(2) Foreign</b>									
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
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A) (1)+(A)(2)</b>	<b>3940913</b>		<b>3940913</b>	<b>73.06</b>	<b>3940913</b>		<b>3940913</b>	<b>73.06</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	900	900	0.01	0	900	900	0.01	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
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>900</b>	<b>900</b>	<b>0.01</b>	<b>0</b>	<b>900</b>	<b>900</b>	<b>0.01</b>	<b>0</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate	263139	4100	267239	4.95	208218	4100	212318	3.93	1.05
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	633600	86996	720596	13.36	864787	85896	950683	17.62	-4.26

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 Rs. 2 lakh	437436	0	437436	8.11	248780	0	248780	4.61	3.50
c) Others (specify)	0	0	0	0	0	0	0	0	0
i) Clearing Member	1418	0	1418	0.03	13055	0	13055	0.24	-0.21
ii) Non Resident Indian	5403	20100	25503	0.47	7256	20100	27356	0.50	-0.03
<b>SUB TOTAL (B)(2):</b>	<b>1340996</b>	<b>111196</b>	<b>1452192</b>	<b>26.92</b>	<b>1342096</b>	<b>110096</b>	<b>1452192</b>	<b>26.92</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B) (1)+(B)(2)</b>	<b>1340996</b>	<b>112096</b>	<b>1453092</b>	<b>26.93</b>	<b>1340996</b>	<b>107996</b>	<b>1453092</b>	<b>26.93</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>5281009</b>	<b>112996</b>	<b>5394005</b>	<b>100</b>	<b>5286009</b>	<b>107996</b>	<b>5394005</b>	<b>100</b>	<b>0</b>

## ii. Share holding 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	16.69	1117700	20.72	0	0
2.	R.L.Gupta (HUF)	619125	11.47	0	619125	11.47	0	0
3.	Kamlesh Gupta	600000	11.12	0	600000	11.12	0	0
4.	Raghunandanlal Gupta	444040	8.23	0	444040	8.23	0	0
5.	Akar Alloys Pvt. Ltd	429398	7.96	3.44	429398	7.96	4.70	0
6.	Shatrunji Investment Pvt. Ltd	196100	3.63	0	196100	3.63	0	0
7.	Lavanaya Finvest Private Limited	160000	2.96	1.85	160000	2.96	2.53	0
8.	Aurangabad Forging Private Limited	125600	2.32	0	125600	2.32	0	0
9.	Gupta Con-Cast Limited	100000	1.85	0	100000	1.85	0	0
10.	Narendrakumar Raghunandanlal Gupta	94850	1.75	0	94850	1.75	0	0
11.	Sushila Devi Gupta	18100	0.33	0	18100	0.33	0	0
12.	Nitin Narendrakumar Gupta	17200	0.31	0	17200	0.31	0	0
13.	Sant Eknath Rolling Mills Pvt. Ltd	14200	0.26	0	14200	0.26	0	0
14.	Kathiawad Investment Pvt. Ltd	4600	0.08	0	4600	0.08	0	0
	<b>Total</b>	<b>3940913</b>	<b>73.06</b>	<b>21.98</b>	<b>3940913</b>	<b>73.06</b>	<b>7.23</b>	<b>0</b>

### 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 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	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 Rs 10/- each	% of total shares of the Company				No of shares	% of total shares of the company
1. ANANTROOP FINANCIAL ADVISORY SERVICES PVT LTD	At the beginning of the year	120,422	2.23	1-Apr-15			120,422	2.23
	Changes during the year			13-Nov-15	-20422	Sale	100,000	1.85
				4-Dec-15	-19371	Sale	80,629	1.49
				18-Dec-15	-472	Sale	80,157	1.49
				25-Dec-15	-11657	Sale	68,500	1.27
				31-Dec-15	-2500	Sale	66,000	1.22
At the end of the year	66,000	1.22	31-Mar-16			66,000	1.22	
2. DHEERAJ KUMAR LOHIA	At the beginning of the year	40,838	0.76	1-Apr-15			40,838	0.76
	Changes during the year			17-Apr-15	9715	Buy	50,553	0.94
				1-May-15	1107	Buy	51,660	0.96
				5-Jun-15	1224	Buy	52,884	0.98
				12-Jun-15	6000	Buy	58,884	1.09
				9-Oct-15	3690	Buy	62,574	1.16
				16-Oct-15	2667	Buy	65,241	1.21
				23-Oct-15	1742	Buy	66,983	1.24
At the end of the year	66,983	1.24	31-Mar-16			66,983	1.24	
3. SANGEETHAS	At the beginning of the year	55,330	1.03	1-Apr-15			55,330	1.03
	At the end of the year	55,330	1.03	31-Mar-16			55,330	1.03
4. MAHENDRA GIRDHARILAL	At the beginning of the year	44,666	0.83	1-Apr-15			44,666	0.83
	At the end of the year	44,666	0.83	31-Mar-16			44,666	0.83
5. SHAH PRADIPBHAI BABULAL	At the beginning of the year	37,656	0.70	1-Apr-15			37,656	0.70
	At the end of the year	37,656	0.70	31-Mar-16			37,656	0.70

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 Rs 10/- each	% of total shares of the Company				No of shares	% of total shares of the company
6. RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	At the beginning of the year	21,045	0.39	1-Apr-15			21,045	0.39
	Changes during the year			19-Jun-15	7234	Buy	28,279	0.52
				30-Jun-15	5000	Buy	33,279	0.62
				10-Jul-15	3000	Buy	36,279	0.67
At the end of the year	36,279	0.67	31-Mar-16			36,279	0.67	
7. VSL SECURITIES PRIVATE LIMITED	At the beginning of the year	32,795	0.61	1-Apr-15			32,795	0.61
	Changes during the year			25-Dec-15	-12850	Sale	19,945	0.37
	At the end of the year	19,945	0.37	31-Mar-16			19,945	0.37
8. RAHUL NARESHBHAI SHAH	At the beginning of the year	44,658		1-Apr-15			44,658	0.83
	At the end of the year	44,658		31-Mar-16			44,658	0.83
9. CAMEL FOODS PRIVATE LIMITED	At the beginning of the year	25,697	0.48	1-Apr-15			25,697	0.48
	Changes during the year			17-Apr-15	-10	Sale	25,687	0.48
				1-May-15	-1000	Sale	24,687	0.46
				22-May-15	5673	Buy	30,360	0.56
				29-May-15	295	Buy	30,655	0.57
				24-Jul-15	7973	Buy	38,628	0.72
				18-Sep-15	-1137	Sale	37,491	0.70
				30-Sep-15	290	Buy	37,781	0.70
				23-Oct-15	1661	Sale	39,442	0.73
				13-Nov-15	-24000	Sale	15,442	0.29
			20-Nov-15	-15438	Sale	4	0.00	
		27-Nov-15	-4	Sale	0	0.00		
At the end of the year	0	0	31-Mar-16			0	0.00	
10. MALAV ATULKUMAR KAPADIA	At the beginning of the year	23,112	0.43	1-Apr-15			23,112	0.43
	Changes during the year			15-May-15	-500	Sale	22,612	0.42
				29-May-15	-70	Sale	22,542	0.42
				5-Jun-15	-3000	Sale	19,542	0.36
				20-Nov-15	-2225	Sale	17,317	0.32
				4-Dec-15	-2500	Sale	14,817	0.27
				18-Dec-15	2750	Buy	17,567	0.33
				8-Jan-16	-550	Sale	17,017	0.32
				22-Jan-16	2250	Buy	19,267	0.36
				5-Feb-16	-4500	Sale	14,767	0.27
				4-Mar-16	-200	Sale	14,567	0.27
				11-Mar-16	-6200	Sale	8,367	0.16
			18-Mar-16	6200	Buy	14,567	0.27	
At the end of the year	14,677	0.27	31-Mar-16	110	Buy	14,677	0.27	



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 Rs 10/- each	% of total shares of the Company				No of shares	% of total shares of the company
11. SURESH PRASAD BARANWAL	At the beginning of the year	21,563	0.40	1-Apr-15			21,563	0.40
	At the end of the year	21,563	0.40	31-Mar-16			21,563	0.40
12. PRADIP BABULAL SHAH	At the beginning of the year	19,822	0.37	1-Apr-15			19,822	0.37
	At the end of the year	19,822	0.37	31-Mar-16			19,822	0.37

#### v. Shareholding of Directors & KMP

Sr. No.	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 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	444040	8.23	444040	8.23

Sr. No.	Narendrakumar 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	94850	1.75	94850	1.75
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	94850	1.75	94850	1.75

## V. INDEBTEDNESS

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

(Rs in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3167.50	350.00		3517.50
ii) Interest due but not paid		1.82		1.82
iii) Interest accrued but not due	0.00			
Total (i+ii+iii)	3167.50	351.82		3519.32
Changes in Indebtedness during the financial year				
Addition	601.24	500.00		1101.24
Reduction	-71.12	-101.82		-172.94
Net Change	530.12	398.18		928.30
Indebtedness at the end of the financial year				
i) Principal Amount	3697.62	750.00		4447.62
ii) Interest due but not paid	0.00	31.50		31.50
iii) Interest accrued but not due	0.00	0.00		0.00
Total (i+ii+iii)	3697.62	781.50		4479.12

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Key Managerial Personnel & Executive Director

(Rs in Lacs)

Sr. No.	Particulars of Remuneration	Name of the Key Managerial Personnel			Shri Pradeep Nijampurkar Director
		Shri Sunil Todi Managing Director	Shri Radhamohan Garg CFO	Ms. Rajashree Dubey Company Secretary	
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	29.75	19.24	3.45	10.32
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	12.00	1.00	0.07	2.86
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A) Gross salary	41,75	20.24	3.52	13.18
	Ceiling as per the Act: Rs 42 lacs as per the Companies Act, 2013				

## B. Remuneration to other directors:

(Rs in lacs)

Particulars of Remuneration Independent Directors	Name of the Directors			Total
	Vijay Kumar Chopra	Surendra Nath Shukla	Shilpa Vijaykumar Sharma	
Fee for attending board meetings	1.00	1.00	1.00	3.00
Fees for attending Audit Committee meetings	0.40	0.40	Nil	0.80
Fees for Remuneration Committee meetings	0.40	0.40	Nil	0.80
Fees for Annual General Meetings	0.10	0.10	Nil	0.20
(b) Commission	Nil	Nil	Nil	Nil
(c) Others-Independent Directors Meetings	0.10	0.10	0.10	0.30
<b>Total (1)</b>	<b>2.00</b>	<b>2.00</b>	<b>1.10</b>	<b>5.10</b>

## 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 2015-16, there were no penalties/punishment/compounding of offences under the Companies Act 2013.

# ANNEXURE - IV

## 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 Cosmo 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) Capital investment on energy conservation equipments during the year:  
**NIL**

### B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

Research and developments of new products, processes and methodologies continue to be important to us. In today's dynamic business environment, innovation through a sustained process of research and development (R & D) is a critical growth driver. R & D will need to focus in the developments and speedy commercialization of globally competitive products, processes and technologies.

Your Company pursues R & D strategy premised on best-in-class benchmark research processes to secure sustainable and long term competitiveness for all its business. Its priorities are focused on projects with high research content and high impact. Your company is taking initiatives to invest in upgradation of technology for manufacturing of the Product and all upgrade its testing facilities in line with the technological requirements of customers. The Company's Research & Development efforts are focused on the following:

On-going study in the following areas to reduce cost of conservation and improve the quality.

- Evaluation of the alternative materials or additives to reduce the cost of raw material.
- Improving the output / input ratio to gain maximum finished products from per kg. Raw material.
- Modify the mould and dies to improve the cycle time to get higher production from the same machine.
- To modify the process parameters to improve the quality.
- Expenditure on R & D: Not significant.

### C. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption:

The Company's technology is developed in house, which has helped in improving efficiency and developing new products.

The benefits derived like product improvement, cost reduction, product development, import substitution Growth in business.

2. In case of imported technology (Imported during the last 3 years reckoned from the beginning of the financial year) N.A. (the Company has not imported any technology).

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	(Rs. in lacs)	
	2015-16	2014-15
Foreign Exchange Earned	4589.63	4402.96
Foreign Exchange used	299.66	111.93

Details of foreign exchange earned and utilized during the year are given in Notes to Accounts.

## ANNEXURE - V

# Corporate Governance Report

(Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015)

**In accordance with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 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. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company firmly believes that business is built on ethical values and principle of transparency. Good Governance is an essential ingredient of any business, a way of it rather than a mere legal compulsion. The Company philosophy on Corporate Governance envisages the attainment of high levels of transparency, accountability and equity in all facets of its operations and in all the interaction with its stakeholders, including shareholders, employees, lenders and the Government. The Board of Directors of Company continues to lay great emphasis on the broad principles of Corporate Governance.

### **II. BOARD OF DIRECTORS**

#### **a. Composition of the Board:**

The Company's policy is to maintain optimum combination of Executive Director, Non-Executive Directors and Independent Directors as on 31st March, 2016. The Board is primarily responsible for the overall management of the Company's business. The Directors are from varied fields with wide range of skills and experience. The non-executive directors including Independent Directors bring statutory and wider perspective in the Board's deliberations and decisions.

All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year give a declaration that they meet with criteria of independence as provided under Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

#### **b. Number of Meetings of the Board:**

During the financial year 2015-16, the Board of Directors met 4 times: on 30th May, 2016, 12th August, 2015, 09th November, 2015, & 10th February, 2016.

#### **c. Composition/Category of Directors, Attendance Record, Shareholding & Directorship & Membership in other Companies:**

The information on composition and category of the Board of Directors as on 31st March 2016, attendance of each Director at Board Meeting held during the financial Year 2015-16 and the Annual General Meeting (AGM) held on 29th September, 2015, Shareholding in the company & directorships positions in other companies are as follows:

DIN	Name of the Directors	Categories of Directors	Number of Board Meetings attended	Attendance at the last AGM held on 29th Sept, 2015	No of Directorship(s) held in public Companies*	No of Membership (s)/ Chairmanship in committees (including AKAR)	Relationship with other directors	No of shares held by non-executive director
00061861	R. L. Gupta	Chairman Non-Executive Director	1 of 4	No	1	NIL	Relative of Shri N K Gupta	444040
00062268	N K Gupta	Non-Executive Director	4 of 4	No	1	1	Relative of Shri R. L. Gupta	94850
00061952	Sunil Todi	Managing Director	4 of 4	Yes	1	1	NIL	NIL
01805132	Pradeep Nijampurkar	Executive Director	2 of 4	No	1	NIL	NIL	NIL
03462730	V K Chopra	Non- Executive Director (Independent)	4 of 4	Yes	1	1	NIL	NIL
06937700	S N Shukla	Non- Executive Director (Independent)	4 of 4	Yes	NIL	1	NIL	NIL
07143207	Shilpa Sharma	Non- Executive Director (Independent)	4 of 4	No	NIL	NIL	NIL	NIL

### III. COMMITTEE OF BOARD OF DIRECTORS

#### AUDIT COMMITTEE:

The Audit Committee comprises of two non-executive (independent) directors and one executive director having financial management expertise. The Chairman of the committee is an independent director, elected by the Members of the Committee. Shri. V K Chopra, Chairman of the Audit Committee was present at the last Annual General Meeting.

Four meetings of the Audit Committee were held during the year viz. on 29th May, 2015, 11th August, 2015, 09th November, 2015 and 10th February, 2016. The composition of the Audit Committee and details of their attendance at the meetings are as follows:

Name of Director	Position	Category	Number of meetings held	Number of meetings attended
Shri V K Chopra	Chairman	Non-Executive Director (Independent )	04	04
Capt Surendra Nath Shukla	Member	Non-Executive Director (Independent )	04	04
Shri Sunil Todi	Member	Managing Director	04	04

The term of reference of Audit Committee is according under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure requirements) regulation, 2015 and Section 177 of Companies Act, 2013 which, inter alia, includes to oversee the Company's financial reporting process, to review Director's Responsibility Statement, changes, if any, in accounting policies and reasons for the same, qualifications in the draft audit report, performance & independence of statutory and internal auditors, reports of the Company's internal auditors and financial statements audited by Statutory auditors and also to review the information relating to Management Discussion and Analysis of financial statements and results of operations, statement of significant related party transactions and internal control systems.

### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprises of two non-executive (independent) directors and one non-executive director having financial management expertise. The Chairman of the committee is an independent director, elected by the Members of the Committee. Capt Surendranath Shuka (IRS ret'd), Chairman of the Nomination and remuneration Committee was present at the last Annual General Meeting.

Four meetings of the Nomination and remuneration were held during the year viz. on 29th May, 2015, 11th August, 2015, 09th November, 2015 and 10th February, 2016. The composition of the Committee and details of their attendance at the meetings are as follows:

<b>Name of Director</b>	<b>Position</b>	<b>Category</b>	<b>Number of meetings held</b>	<b>Number of meetings attended</b>
Capt Surendra Nath Shukla	Chairman	Non-Executive Director (Independent )	04	04
Shri V K Chopra	Member	Non-Executive Director (Independent )	04	04
Shri N K Gupta	Member	Non-Executive Director	04	04

The term of reference of Nomination and Remuneration Committee is according to Section 178 of Companies Act, 2013 and under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015 which inter alia, includes to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down, recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance and to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other senior employees.

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee comprises of one non-executive director and two executive directors. The Chairman of the committee is an non-executive director, elected by the Members of the Committee. Shri N K Gupta, Chairman of the Stakeholders Relationship Committee.

Four meetings of the Stakeholder Relationship Committee were held during the year viz. on 29th May, 2015, 11th August, 2015, 09th November, 2015 and 10th February, 2016. The composition of the Committee and details of their attendance at the meetings are as follows:

<b>Name of Director</b>	<b>Position</b>	<b>Category</b>	<b>Number of meetings held</b>	<b>Number of meetings attended</b>
Shri N K Gupta	Chairman	Non-Executive Director	04	04
Shri Sunil Todi	Member	Managing Director	04	04
Shri P M Nijampurkar	Member	Executive Director	04	04

Ms Rajashree Dubey, Company Secretary, is the Compliance Officer of the Committee.



The Compliance Officer can be contacted at:

**AKAR TOOLS LIMITED**

E – 5, MIDC Area,

Waluj, Aurangabad.(Maharashtra)-431136

Phone : +91 240-6647200, 6647213, Fax : +91 240-2554640

E-mail ID: corporate@akartoolsltd.com.

The total numbers of complaints received and replied to the satisfaction of the shareholders during the year ended 31st March, 2016 were 04 and there was 1 complaint outstanding as on 31st March 2016. The Company had no share transfer requests pending as on 31st March 2016.

#### **IV. MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors met on 19th March, 2016, inter alia, to consider:

1. The performance of Non-Independent Directors and the Board as a Whole.
2. The performance of Executive Directors.
3. The quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the independent Directors were present in the meeting.

#### **V. CODE OF CONDUCT**

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the Senior Management and Independent Director . The Code gives guidance and support needed for ethical conduct of business and compliance of Law. A copy of Code has been put on the Company's Website ([www.akartoolsltd.com](http://www.akartoolsltd.com)).

The Code of Conduct for the Board Members of the Company has been amended in line with the provisions of the Companies Act, 2013, which includes Code for Independent Directors, which is a guide to professional conduct for Independent Directors of the Company pursuant to Section 149(8) and Schedule IV of the Companies Act, 2013.

#### **VI. FAMILIARISATION PROGRAMME FOR DIRECTORS**

The Directors (Independent Director and Non Independent Director) interact with Senior Management Executive and sought all the information sought by them enabling a good understanding of the Company, its various operations and the industry of which it is a constituent.

The role, rights, duties and responsibilities of Independent Directors have been incorporated in the letters of appointment issued to them. The amendment /updates in the statutory provisions are informed from time to time.

The information with respect to the nature of industry in which the Company operates and business model of the company, etc is made known through various presentations on operational performance, strategy, budgets & business forecasts, etc. to the Board of Directors.

The above initiatives help the Directors to understand the Company, its business and the regulatory framework in which the Company operates to effectively fulfill their role as Directors of the Company.

#### **VII. BOARD DIVERSITY**

The Board of Directors (Board) ensures that a transparent Board nomination process is in place. The Company has various business sectors which serve different customer segments. Having members of the Board from different fields is therefore important for sustained commercial success of the Company. While selecting the Board members, the Company shall endeavor to include and make good use of diversity in the skills, qualification, age and professional and industry experience, irrespective of race, caste, creed, religion, disability or gender.

## VIII. DETAILS OF REMUNERATION OF DIRECTORS:

### 1. REMUNERATION PAID TO EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2015-16:

Sr. No.	Particulars of Remuneration	Name of the Key Managerial Personnel	
		Shri Sunil Todi Managing Director	Shri Pradeep Nijam- purkar 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
	<b>Total (A)</b>	<b>41,75</b>	<b>13.18</b>
	<b>Gross salary</b>		

### 2. SITTING FEES PAID TO NON-EXECUTIVE DIRECTORS DURING THE FINANCIAL YEAR 2015-16:

(Rs in Lacs)

Particulars of Remuneration Independent Directors	Name of the Directors			Total
	Vijay Kumar Chopra	Surendra Nath Shukla	Shilpa Vijaykumar Sharma	
Fee for attending board meetings	1.00	1.00	1.00	3.00
Fees for attending Audit Committee meetings	0.40	0.40	Nil	0.80
Fees for Remuneration Committee meetings	0.40	0.40	Nil	0.80
Fees for Annual General Meetings	0.10	0.10	Nil	0.20
(b) Commission	Nil	Nil	Nil	Nil
(c ) Others-Independent Directors Meetings	0.10	0.10	0.10	0.30
<b>Total (1)</b>	<b>2.00</b>	<b>2.00</b>	<b>1.10</b>	<b>5.10</b>

## IX. ANNUAL GENERAL MEETINGS

Detail of Annual General Meetings, location and time, where last three Annual General Meetings were held:

AGM	Date & Time	Venue	Special Resolutions Passed (if any)
26th	September 30th 2015. At 11.00 a.m.	Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai- 400021	YES
25th	September 29th 2014. At 11.00 a.m.	Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai- 400021	NO
24th	September 27, 2013. At 11.00 am	Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai- 400021	NO

The details of Special Resolution(s) passed through Postal Ballot are as under: No special resolution was passed in the year 2015-2016 through Postal Ballot.

## X. 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](http://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.

## XI. GENERAL SHAREHOLDERS' INFORMATION

### a) Company Registration Details:

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L292220MH1989PLC052305.

### b) Shareholders/Investors Services

The Company's Shares & Secretarial department is situated at its Corporate & Administrative Office E- 5, MIDC Area, Waluj, Aurangabad and provides assistance and guidance to shareholders under overall supervision and control of Shri Sunil Todi, Managing Director and Ms Rajashree V. Dubey, Company Secretary.

### c) Registrar & Share Transfer Agents

The entire work of the Company, relating to transfer of shares has been given to an outside agency i.e Big Share Services Pvt Ltd being a SEBI Registered R & T Agent. Shareholders are advised to send all the queries regarding change of their mailing address, share transfer status etc. to the Registrar & Share Transfer Agents at the following address:

#### **BIG SHARE SERVICES PVT. LTD.**

E-2, Ansa Indl. Estate,  
Sakivihar Road, Saki Naka,  
Andheri (e), Mumbai-400072  
Ph. No. 022-28473474/28473747/ 28470652

### d) Annual General Meeting

Date & Time	30th September, 2016 at 11.00 a.m		
Venue	Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai-400021		
Financial Year	01st April, 2014 to 31st March, 2015		
Date of Book Closure	26th September, 2016 to 30th September, 2016 (Both days inclusive)		
Listing Fees	Paid as per the Listing Agreement		
Listing on Stock Exchanges	Symbol	Name of the Stock Exchange	Stock Code
	AKARTOOL EQ	Bombay Stock Exchange	530621
Compliance Officer	Ms. Rajashree V. Dubey Akar Tools Ltd E – 5, MIDC Area, Waluj, Aurangabad. Phone : +91 240-6647200, 6647213 Fax : +91 0240-2554640 E-mail\ID: <a href="mailto:corporate@akartoolsltd.com">corporate@akartoolsltd.com</a>		

Financial Calendar	<p>The Accounting Years covers 1st April, 2016 to 31st March, 2017.</p> <p>Financial Reporting for:</p> <p>a) 1st Quarter ending 30th June, 2016 End July/Early August 2016.</p> <p>b) 2nd Quarter/ Half Year ending 30th September, 2016 End October/Early November 2016.</p> <p>c) 3rd Quarter ending 31st December, 2016. End January/Early February, 2017.</p> <p>d) 4th Quarter/Annual Accounts for 2016-17 End April/May 2017.</p> <p>Note: the above calendar is indicative in nature.</p>
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### e) Proposed Dividend

The Board has proposed a 10% dividend i.e. @ Rs. 1.00 per Equity Shares.

### f) Secretarial Audit for Capital Reconciliation

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors. The auditor confirms that the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialization form and in Physical form.

### g) Dematerialization of Share and Liquidity

As per notification issued by the SEBI, with effect from 26th June, 2000, it has become mandatory to trade in the Company's shares in the electronic form. The Company's shares are available for trading in the depository systems of both the National Securities Depositories Ltd (NSDL) and the Central Depositories Services (India) Ltd (CDSL).

As on 31st March, 2016, (97.94%) of the Company's total paid up capital representing 52,83,009 equity shares were held in dematerialized form and the balance 2.05% representing 1,10,996 equity shares were held in physical form.

The ISIN number of the Share is IN E864E01013

### g) Stock Market Data

Akar Tools Limited's Share are listed at Bombay Stock Exchange Ltd

Month	Share Price with BSE		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
April	30.90	25.05	29094.61	26897.54
May	31.00	24.10	28071.16	26423.99
June	29.60	25.10	27968.75	26307.07
July	31.50	25.55	28578.33	27416.39
August	32.00	25.00	28417.59	25298.42
September	28.00	23.05	26471.82	24833.54
October	29.00	23.50	27618.14	26168.71
November	40.00	25.00	26824.30	25451.42
December	63.00	37.05	26256.42	24867.73
January	56.45	33.75	26197.27	23839.76
February	43.80	33.10	25002.32	22494.61
March	48.00	34.05	25479.62	23133.18

#### h) Distribution of Shareholding as on March 31st 2016.

Range	No. of Shareholders	% of total Shareholders	No. of Shares held	% of Shareholding
Up to 5000	1890	85.36	2630760	4.87
5001 to 10000	116	5.25	938810	1.74
10001 to 20000	82	3.70	1225750	2.27
20001 to 30000	31	1.40	796310	1.47
30001 to 40000	14	0.63	503620	0.93
40001 to 50000	12	0.54	579140	1.07
50001 to 100000	25	1.13	1956080	3.62
100001 and above	37	1.67	45309580	83.99
<b>Total</b>	<b>2207</b>	<b>100.00</b>	<b>53940050</b>	<b>100.00</b>

#### i) Shareholding Pattern

The distribution of shareholding as on 31st March, 2016 was as under:

Category	Number of shares held	% of shareholding
Clearing Members	13055	0.242
Corporate Bodies	212318	3.936
Corporate Bodies (Promoter Co)	929898	17.23
Directors-Relatives	2161740	40.076
Mutual Fund	900	0.016
NRI/OCBs	27356	0.507
Promoters	849275	15.744
Public	1199463	22.237
<b>Total</b>	<b>5,394,005</b>	<b>100</b>

#### j) Dividend History for Last Five Years

2014-15	2013-14	2012-13	2011-12	2010-11
7%	6%	5%	5%	12%

## X. DISCLOSURES

### i. Disclosures on materially significant related party transactions i.e transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict of interest of the Company at large:

During the year 2015-16, the Company had transactions with related parties as defined under the Companies Act, 2013 and as per SEBI (LODR) Regulation. The basis of the related party transactions has been placed before the Audit Committee. All these transactions with related parties were in the ordinary course of business and on an Arm's Length basis and do not attract the provision of Section 188 of the Companies Act, 2013. Suitable disclosures as required by the Accounting Standards (AS-18) had been made in the notes to the Financial Statement. The Board of Directors has approved a 'Policy on Related Party transactions' which has been uploaded on the Company's website [www.akartoolsltd.com](http://www.akartoolsltd.com).

**ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any authority , on any matter related to capital markets during the last three years:**

The Company has complied with the requirements of Stock Exchanges, SEBI or any other statutory authority, on any matter related to capital markets and no penalties/strictures have been imposed against the Company during the last three years.

**iii. Disclosures of relationships between Directors inter-se:**

Shri N K Gupta is the son of Shri R. L. Gupta.

**iv. Vigil Mechanism/ Whistle Blower Policy:**

The Company has adopted Vigil Mechanism /Whistle Blower Policy(Policy) as approved by the Board of Directors. The Policy encourages whistle blowing against unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Audit Committee and Board of Directors on quarterly basis reviews the Complaints received by the competent authority received under the Policy. The Vigil Mechanism/Whistle Blower Policy have been posted on the website of the company [www.akartoolsltd.com](http://www.akartoolsltd.com). During the year under review, no employee was denied access to the Audit Committee.

**v. Material Subsidiaries:**

The Company does not have any material subsidiary as defined under Clause 49 of the Listing Agreement.

# Financial section

# Independent Auditor's Report

TO THE MEMBERS OF **AKAR TOOLS LTD.**

## Report on the Standalone Financial Statements

1. We have audited the accompanying financial statements of Akar Tools Limited, ("the Company"), which comprise the Balance Sheet as at 31st March 2016, 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

2. 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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

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

4. 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.

5. We conducted our audit in accordance with the Standards of 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.
6. 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 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 financial statements.
7. 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

8. 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 2016, and its profit and its cash flows for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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;
  - 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 Standalone Financial Statements 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 (as amended);
  - e. on the basis of written representations received from the directors as on 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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 2" 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. as detailed in Note 28 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its financial position;
    - ii. the Company did not have any long-term contracts including derivatives contract for which there were any material foreseeable losses; and
    - iii. there has been a delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. [See Annexure 1 (VII) (c) and Note No.37]

For **A.K. BAGADIA & CO.**  
CHARTERED ACCOUNTANTS

**(A K BAGADIA)**  
PROPRIETOR

Place : Aurangabad  
Dated : 30th May, 2016

MEMBERSHIP NO.30520  
(FRN 100846W)

## **ANNEXURE 1 referred to in paragraph 1 under heading “Report on other legal and regulatory requirements” of our report of even date**

Re: AKAR TOOLS LIMITED (“the Company”)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (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, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. 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 Rs. 0.32 lacs 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 during the year, Inventories lying with third parties have been confirmed by them as at March 31, 2016 and no material discrepancies were noticed on such physical verification.
  - (iii) The Company has not 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. Accordingly, the provisions of clauses 3(ii)(a) and 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of sections 185 and 186 of the Act in respect of loans and advances given, investments made and guarantees, and securities given to parties covered under the respective sections have been complied with by the company.
  - (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). accordingly, the provisions of clause 3(v) of the Order are not applicable.
  - (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of company’s products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
  - (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities except Rs. 6.42 Lacs which is outstanding as on 31st March 2016 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 :-

Statute	Nature of Dues	Amount (Rs. in lakhs)	Amount paid under Protest (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income tax and interest	0.44	-	A.Y. 1999-2000	CCIT
	Income tax and interest	5.34	-	A.Y. 2000-2001	CCIT
	Income tax and interest	10.72	-	A.Y. 2001-2002	CCIT
	Income tax and interest	3.26	-	A.Y. 2002-2003	CCIT
	Income tax and interest	13.65	-	A.Y. 2003-2004	CCIT
	Income tax and interest	4.16	-	A.Y. 2004-2005	CCIT
	Income tax and interest	0.50	-	A.Y. 2006-2007	CIT (A)
	Income tax and interest	1.81	-	A.Y. 2007-2008	CIT (A)
	Income tax and interest	2.07	-	A.Y. 2010-2011	CIT (A)
Maharashtra Vat Act	Sales Tax and interest	19.64	-	A.Y. 2003-2004	Comm. Of ST

- (c) A Sum of Rs. 0.97 lacs is outstanding on account of outstanding dividend payable as on 31.03.2016 related to FY 2007-08 required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under within time.
- (viii) The Company has not defaulted in repayment of loans or borrowings 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) 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, managerial remuneration has been provided 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, Clause 3 (xii) of the order is not applicable.
- (xiii) In our opinion 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) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with term.
- (xvi) The Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934.

For **A.K. BAGADIA & CO.**  
CHARTERED ACCOUNTANTS

**(A K BAGADIA)**  
PROPRIETOR

Place : Aurangabad  
Dated : 30th May, 2016

MEMBERSHIP NO.30520  
(FRN 100846W)

# Annexure 2 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")

TO THE MEMBERS OF **AKAR TOOLS LTD.**

We have audited the internal financial controls over financial reporting of Akar Tools Limited ("the Company") as of March, 31st 2016 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 as specified under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal

financial controls and, both issued by the institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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 internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies

and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with 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 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 31,2016, 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

**(A K BAGADIA)**

PROPRIETOR

Place : Aurangabad

MEMBERSHIP NO.30520

Dated : 30th May, 2016

(FRN 100846W)

## Balance Sheet as at 31st March 2016

(Rs. in lacs)

	Notes	31st March 2016	31st March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	539.40	539.40
Reserves and surplus	4	1,958.01	1,842.31
	<b>(A)</b>	<b>2,497.41</b>	<b>2,381.71</b>
<b>Non-current liabilities</b>			
Long- term borrowings	5	1,080.02	299.94
Deferred tax liabilities (net)	6	420.70	408.05
	<b>(B)</b>	<b>1,500.72</b>	<b>707.99</b>
<b>Current liabilities</b>			
Short-term borrowings	7	3,279.41	3,059.17
Trade payables	8	4,905.26	4,960.45
Other current liabilities	9	226.26	297.55
Short-term provisions	10	186.01	106.09
	<b>(C)</b>	<b>8,596.94</b>	<b>8,423.26</b>
<b>TOTAL</b>	<b>(A+B+C)</b>	<b>12,595.07</b>	<b>11,512.96</b>
<b>ASSETS</b>			
<b>Non Current assets</b>			
Fixed assets	11		
Tangible assets		2,952.17	2,947.91
Capital work-in-progress		84.48	-
Non-current investments	12	10.80	10.80
Long-term loans and advances	13	460.62	250.00
	<b>(A)</b>	<b>3,508.08</b>	<b>3,208.71</b>
<b>Current assets</b>			
Inventories	14	4,896.94	4,726.68
Trade receivables	15	3,547.58	2,811.01
Cash and cash equivalents	16	135.40	130.88
Short-term loans and advances	17	489.99	625.26
Other current assets	18	17.09	10.42
	<b>(B)</b>	<b>9,087.00</b>	<b>8,304.25</b>
<b>TOTAL</b>	<b>(A+B)</b>	<b>12,595.08</b>	<b>11,512.96</b>
Summary of significant accounting policies	1 & 2		
The accompanying notes are an integral part of the financial statements	27 to 34		

As per our report of even date.

For **A.K. Bagadia & Co.**

Chartered Accountants

Firm Registration No. 100846W

**A K Bagadia**

Proprietor

Membership NO. 30520

Place : AURANGABAD.

Date : 30th May, 2016

For and on behalf of the Board of Directors of **AKAR TOOLS LIMITED**

**R L Gupta**

Chairman

**Radhamohan Garg**

Chief Financial Officer

Place : AURANGABAD.

Date : 30th May, 2016

**Sunil Todi**

Managing Director

**Rajashree V. Dubey**

Company Secretary

**N . K . Gupta**

Director

## Statement of Profit & Loss for the year ended 31st March 2016

(Rs. in lacs)

	Notes	31st March 2016	31st March 2015
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>			
Revenue from operations (gross)	19	20,254.51	17,500.45
Less: Excise duty		-1,799.03	-1,569.96
Revenue from operations (net)		18,455.48	15,930.49
Other income	20	15.52	8.29
<b>Total revenue (I)</b>		<b>18,471.00</b>	<b>15,938.77</b>
<b>Expenses</b>			
Cost of raw material and components consumed	21	12,056.76	10,328.97
Changes in inventories of finished goods and work-in-process and stock in trade	22	80.70	-545.00
Employee benefits expense	23	1,364.36	1,299.07
Finance costs	24	670.53	580.83
Depreciation and amortization expense	11	289.52	266.02
Other expenses	25	3,725.29	3,915.97
<b>Total expenses (II)</b>		<b>18,187.17</b>	<b>15,845.87</b>
<b>Profit before tax and exceptional items</b>		<b>283.83</b>	<b>92.90</b>
Exceptional items	26	0.05	87.77
<b>Profit before tax</b>		<b>283.88</b>	<b>180.67</b>
<b>Tax expenses</b>			
Current tax expense for the year		116.41	68.78
(less) MAT Credit (Where applicable)		-	-
Current tax expense relating to prior years		-28.74	-
Net current tax expense		87.67	68.78
Deferred tax assets		12.66	-10.79
<b>Total tax expense</b>		<b>100.33</b>	<b>57.99</b>
<b>Profit / (Loss) for the year</b>		<b>183.55</b>	<b>122.68</b>
Nominal value of each share in rupees		10.00	10.00
<b>Basic and diluted earnings per share in rupees on 5394005 shares</b>		<b>3.40</b>	<b>2.27</b>
before extraordinary item			
after extraordinary items			
Summary of significant accounting policies	1 & 2		
The accompanying notes are an integral part of the financial statements	27 to 34		

As per our report of even date.

For **A.K. Bagadia & Co.**

Chartered Accountants

Firm Registration No. 100846W

**A K Bagadia**

Proprietor

Membership NO. 30520

Place : AURANGABAD.

Date : 30th May, 2016

For and on behalf of the Board of Directors of **AKAR TOOLS LIMITED**

**R L Gupta**

Chairman

**Radhamohan Garg**

Chief Financial Officer

Place : AURANGABAD.

Date : 30th May, 2016

**Sunil Todi**

Managing Director

**Rajashree V. Dubey**

Company Secretary

**N . K . Gupta**

Director

## Cash Flow Statement for the year ended 31st March 2016

(Rs. in lacs)

	31st March 2016	31st March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	283.88	180.67
Adjustments for:		
Depreciation and amortisation expenses	289.52	266.02
Interest expense	670.53	580.83
Interest income	-15.52	-8.29
Loss/(profit) on sale of fixed assets (net)	-0.05	-87.77
<b>Operating profit before working capital changes</b>	<b>1,228.36</b>	<b>931.47</b>
<b>Adjustments for changes in working capital :</b>		
Movement in trade receivables	-736.57	-459.06
Movement in Loans & Advances	135.28	347.33
Movement in inventories	-170.26	-686.02
Movement In other current assets	-6.67	-0.21
Movement in Long term loans and Capital advances	-210.62	-250.00
Movement in trade and other payables	-126.48	760.74
<b>Cash generated from operations</b>	<b>-1,115.32</b>	<b>-287.22</b>
Direct Taxes Paid	30.61	40.63
<b>Net cash generated from operating activities (A)</b>	<b>82.43</b>	<b>603.61</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets including work in progress	-410.11	-138.07
Purchase of Canara Bank Robeco short term fund (Regular growth)	-	-1.50
Proceeds from sale of fixed assets	29.98	136.97
Proceeds from sale of investments	-	106.87
increase in unclaimed dividend accounts	1.89	3.06
Interest received	15.52	8.29
<b>Net cash used in investing activities (B)</b>	<b>-362.72</b>	<b>115.62</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds/repayment of long term borrowings	780.07	-19.34
Proceeds from working capital finance	213.02	-62.93
Interest paid	-670.53	-580.83
Dividend paid	-37.76	-32.36
Dividend tax paid	-	-9.54
<b>Net cash generated in financing activities ( C)</b>	<b>284.80</b>	<b>-705.00</b>
Net (decrease)/increase in cash and cash equivalents (A+B+C)	4.51	14.23
Cash and cash equivalents at the beginning of the year	130.89	116.66
Cash and cash equivalents at the end of the year (refer note 16 )	135.40	130.89



## Cash Flow Statement (contd.) for the year ended 31st March 2016

(Rs. in lacs)

	31st March 2016	31st March 2015
<b>Components of cash and cash equivalents:</b>		
Cash on hand	5.78	0.68
With banks		
- on current account	23.71	18.78
- on unpaid dividend account	5.70	3.81
- on deposit account	100.21	107.62
<b>Total cash and cash equivalents</b>	<b>135.40</b>	<b>130.89</b>

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 Rs 100.21 Lacs (Previous Year Rs. 107.62 Lacs) are pledged with a bank towards Letters of Credit / Bank Guarantees.
3. Cash and Cash Equivalents include Rs 5.70 Lacs (Previous Year Rs 3.81 Lacs) 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

**A K Bagadia**  
Proprietor  
Membership NO. 30520  
Place : AURANGABAD.  
Date : 30th May, 2016

For and on behalf of the Board of Directors of **AKAR TOOLS LIMITED**

**R L Gupta**  
Chairman

**Radhamohan Garg**  
Chief Financial Officer

Place : AURANGABAD.  
Date : 30th May, 2016

**Sunil Todi**  
Managing Director

**Rajashree V. Dubey**  
Company Secretary

**N . K . Gupta**  
Director

## Notes to financial statements for the year ended 31st March 2016

### 1 CORPORATE INFORMATION

The Company is in the Business of Manufacturing of automotive components such as hand tools and commercial automotive forgings; and leaf springs and is having its manufacturing facilities around Aurangabad, Maharashtra.

### 2 SUMMARY 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 the Companies Act, 2013. 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. (See exception Note: 19,21 and 23)

#### 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 recognised in the periods in which the results are known/materialise.

#### 2.3 Inventories

- a) Raw Material is valued at cost computed on monthly average basis of the last month after providing for cost of obsolescence.
- b) 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.
- c) Stores and Spares are valued at cost after considering cost of obsolescence and estimated useful life.
- d) 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

Depreciation for the year, has been provided for as per notification of Schedule II to the Companies Act,2013 with effect from 1st April,2014 considering the carrying value of assets, net of residual value for their respective remaining useful life.

#### 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. Sales exclude excise duty, sales tax and value added tax.

#### 2.7 Other Income

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

## Notes to financial statements for the year ended 31st March 2016

### 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.

#### 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

Revenue in respect of duty draw back and other benefits under various incentive schemes on account of exports are recognized when these benefits are established and accordingly are considered on accrual basis as 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 2016

### 2.12 Employees benefits

The Company's Contribution to 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.

Provision 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 automotive components such as hand tools and commercial automotive forgings; 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 as 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 recognised 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

Basis 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 are 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. D e f e r r e d tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in

## Notes to financial statements for the year ended 31st March 2016

respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

### 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

## **Notes to financial statements** for the year ended 31st March 2016

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.

## Notes to financial statements for the year ended 31st March 2016

### 3 SHARE CAPITAL

(Rs. in lacs)

	As at 31 March, 2016	As at 31 March, 2015
<b>Authorised shares (in numbers)</b>		
1,00,00,000 Equity shares of Rs 10/- each	1,000.00	1,000.00
<b>Issued, subscribed and fully paid-up shares (in numbers)</b>		
53,94,005 Equity shares of Rs 10/- each	539.40	539.40
<b>Total issued, subscribed and fully paid-up share capital</b>	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 Rs.10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31 March 2016, the amount of per share dividend proposed as distributions to equity shareholders is Rs .1.00/- (31st March 2015: Rs. 0.70/-) 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
<b>Equity shares with voting rights</b>			
Year ended 31 March, 2016			
Number of shares	5394005	-	5394005
Amount (Rs. in lacs)	539.40	-	539.40
Year ended 31 March, 2015			
Number of shares	5394005	-	5394005
Amount (Rs. in lacs)	539.40	-	539.40

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

Equity shares of Rs. 10/- each fully paid Name of Shareholder	31 March, 2016		31 March, 2015	
	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
Kamlesh Gupta	600000	11.12	600000	11.12
R L Gupta	444040	8.23	444040	8.23
Akar Alloys Pvt Ltd	429398	7.96	429398	7.96

## Notes to financial statements for the year ended 31st March 2016

### 4 RESERVES AND SURPLUS

(Rs. in lacs)

		As at	
		31 March, 2016	31 March, 2015
<b>a Securities premium account</b>			
Balance as per last financial statements	(A)	351.00	351.00
<b>b General Reserve</b>			
Balance as per last financial statements		302.10	482.83
Less: Depreciation on fully depreciated assets on adoption of Sch II		-	-180.73
Less: Depreciation on Lease hold Land		-1.91	-
Add: Amount transferred from statement of Profit and Loss		15.00	-
Closing Balance	(B)	315.19	302.10
<b>c Surplus in the statement of Profit and Loss</b>			
Balance as per last financial statements		1,189.21	1,110.71
Profit for the year		183.55	122.68
		1,372.76	1,233.39
Less: Appropriations			
Proposed final equity dividend		53.94	37.76
(amount per share Rs. 1.00/- (31st March 2015 Rs.0.70/-)			-
Tax on proposed equity dividend		12.00	6.42
Transfer to general reserve		15.00	-
Total appropriations	(C)	80.94	44.18
Net surplus in the statement of Profit and Loss		1,291.82	1,189.21
<b>d Total reserves and surplus</b>	(A+B+C)	1,958.01	1,842.31

### 5 LONG TERM BORROWINGS

(Rs. in lacs)

	31 March, 2016		31 March, 2015	
	Non current	Current	Non current	Current
<b>Secured</b>				
Term Loan from Banks				
In Rupee	175.87	35.17	-	-
Term Loan from Financial Institute	-	-		
In Rupee	88.31	75.21	49.94	58.39
Vehicle Loans	34.34	9.30		
<b>Unsecured</b>				
Others	781.50	-	250.00	101.82
<b>Total</b>	<b>1,080.02</b>	<b>119.68</b>	<b>299.94</b>	<b>160.21</b>



## Notes to financial statements for the year ended 31st March 2016

### 5 LONG TERM BORROWINGS (contd.)

- a) Rupee term loan from Canara bank (Rs. 450 lacs sanctioned) Rs.211.05 lacs availed during the year (Previous year Rs. Nil) carries interest rate of BR+5.75%= 15.75% p.a.(floating), The loan is repayable after a moratorium period of 3 months from Date of Commencement of Commercial Operations in 72 monthly installments of Rs.6.25 lacs and Interest to be paid as and when due.
- b) Rupee term loans from Siemens Finanacial Services Private Limited carries interest @ 14% to 14.5% p.a., This loan is repayable in 4 years.
- c) Vehicle loans taken from Punjab National Bank Ltd carries interest @ 9.85 to 10.65% p.a., This loan is repayable in 7 years.
- d) Unsecured loan received from Akar Industries Private Limited for Rs. 500 lacs carries interest @ 12% p.a., This loan is repayable at the end of 7 years.
- e) Unsecured loan received from Macotax Consultant Private Limited for Rs. 250 lacs carries interest @ nil% p.a., This loan is repayable in 9 years.
- f) Unsecured loan received from Avro commercial Private Limited for Rs. Nil (previous year Rs. 100 lacs), carries interest @18% p.a. Repaid during the year
- g) Details of security for each type of borrowings.
  - (i) Rupee term loan from canara bank is secured by first pari-passu 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.
  - (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)

(Rs. in lacs)

	As at 31 March, 2016	As at 31 March, 2015
<b>Deferred Tax Liability :</b>		
Opening Balance	408.05	510.82
Difference in value of Fixed assets due to depreciation and other allowances		-
Transfer to Retained Earning	-	-91.98
Deferred Tax Expense/(Saving) charge to Profit & Loss	12.66	-10.79
<b>Deferred tax liabilities (net)</b>	<b>420.70</b>	<b>408.05</b>

### 7 SHORT TERM BORROWINGS

<b>Secured</b>		
From banks		
Working Capital / Short Term Loan From Banks	3,279.41	3,059.17
<b>Total</b>	<b>3,279.41</b>	<b>3,059.17</b>

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 Directors.
- b) Cash credit/short term loans /export packing credit of Rs 40.30 crores sanctioned by Canara Bank is repayable on demand and carries interest @ base rate+5.25%= 15.25% per annum.

## Notes to financial statements for the year ended 31st March 2016

### 8 TRADE PAYABLES

(Rs. in lacs)

	<b>As at 31 March, 2016</b>	<b>As at 31 March, 2015</b>
Acceptances	747.88	595.08
Other than Acceptances *	4,157.38	4,365.37
<b>Total</b>	<b>4,905.26</b>	<b>4,960.45</b>

\* 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)	119.68	160.21
Statutory dues payable	41.37	77.77
Advance received from customers	25.10	37.40
Unclaimed Dividend	5.70	3.81
Creditors for Capital Goods	34.41	18.35
<b>Total</b>	<b>226.26</b>	<b>297.55</b>

### 10 SHORT TERM PROVISIONS

<b>Provision For Taxation</b>		
Taxation		
(Net of Advance Tax & TDS of Rs 2.76 Lacs (Previous Year	113.65	61.91
Advance Tax & TDS of Rs 11.75 Lacs )	-	-
<b>Provision For Dividend</b>	-	-
Proposed Final Dividend	53.94	37.76
Tax on Dividend	18.41	6.42
<b>Total</b>	<b>186.01</b>	<b>106.09</b>

## Notes to financial statements for the year ended 31st March 2016

### 11 FIXED ASSETS

(Rs. in lacs)

Assets	Gross Block				Depreciation/Amortisation				Net Block		
	As at 01.04.2015	Additions	Deductions/ Adjustment	As at 31.03.2016	As at 01.04.2015	Provision for the year	Depreciation Transfer to Reserve	Deductions/ Adjustment	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land											
Freehold	155.65	-	-	155.65	-	-	-	-	-	155.65	155.65
Leasehold *	6.95	-	-	6.95	-	0.07	1.91	-	1.99	4.96	6.95
Buildings	1,297.39	3.26	-	1,300.65	415.96	41.09	-	-	457.05	843.60	881.43
Carpet Road RCC	-	34.86	-	34.86	-	1.74	-	-	1.74	33.12	-
Plant & Equipment	4,202.67	187.63	38.20	4,352.10	2,365.46	230.30	-	11.23	2,584.52	1,767.57	1,837.21
Furniture & Fixtures	21.58	19.49	-	41.08	10.49	1.88	-	-	12.37	28.70	11.09
Vehicles	87.95	57.66	8.65	136.96	72.76	5.46	-	5.93	72.29	64.67	15.19
Office Equipment	100.55	16.04	-	116.60	78.59	4.19	-	-	82.79	33.81	21.96
Others (specify nature) e.g. Computer, Container etc.	108.94	6.68	0.65	114.97	90.51	4.79	-	0.41	94.88	20.09	18.43
<b>Total</b>	<b>5,981.68</b>	<b>325.63</b>	<b>47.50</b>	<b>6,259.81</b>	<b>3,033.76</b>	<b>289.52</b>	<b>1.91</b>	<b>17.57</b>	<b>3,307.64</b>	<b>2,952.17</b>	<b>2,947.91</b>
Previous Year	5,891.71	153.99	64.02	5,981.68	2,499.07	266.02	283.50	14.82	3,033.77	2,947.90	3,392.64
Capital Work in progress	-	84.48	-	84.48	-	-	-	-	-	84.48	-

\*During the year the Lease Hold Land has been amortised over a period of 95 years from the date of Lease Agreement. Amortisation of Rs. 1.91 lacs for a period upto previous year ended 31.03.2015 has been transferred to General Reserve.

### 12 NON CURRENT INVESTMENTS

(Rs. in lacs)

	As at 31 March, 2016			As at 31 March, 2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Unquoted, trade investments (valued at cost unless otherwise stated)</b>						
<b>Investment in equity instruments in other companies</b>						
9300 (As at 31.03.2015,9300 ) equity shares of Gupta Concast Ltd. of Rs. 100/- fully paid up	0.00	9.30	9.30	0.00	9.30	9.30
<b>in Mutual Funds (Quoted)</b>						
9544.0490 (as at 31.03.2015,9544.0490) units of Canara Bank Robeco Short Term Fund (Regular growth)	1.50	0.00	1.50	1.50	0.00	1.50
<b>Total</b>	<b>1.50</b>	<b>9.30</b>	<b>10.80</b>	<b>1.50</b>	<b>9.30</b>	<b>10.80</b>
<b>Aggregate amount of quoted investments - Gross</b>						
Cost	1.50			1.50		
Market Value	1.63			1.52		

## Notes to financial statements for the year ended 31st March 2016

### 13 LONG - TERM LOANS AND ADVANCES

(Rs. in lacs)

	As at 31 March, 2016	As at 31 March, 2015
(Unsecured, Considered Good)		
Capital Advances (Advances for Capital Goods)	210.62	0.0
Security Deposits *	250.00	250.00
<b>Total</b>	<b>460.62</b>	<b>250.00</b>

\*Security Deposit has been given to Gupta Concast Ltd against tenancy of plot no. 5&6, M.I.D.C. Waluj, without interest.

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

Raw Materials	900.90	831.79
Work-in-Progress	2,501.93	2,762.78
Finished goods (other than those acquired for trading)	961.81	775.47
Scrap & Packing Material	23.60	29.80
Stores & Spares	508.69	326.84
<b>Total</b>	<b>4,896.94</b>	<b>4,726.68</b>

### 15 TRADE RECEIVABLES

<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	181.15	150.65
<b>Other debts</b>		-
Unsecured, considered good	3,366.43	2,660.36
<b>Total</b>	<b>3,547.58</b>	<b>2,811.01</b>

### 16 CASH AND BANK BALANCES

<b>a Cash and cash equivalents (As per AS-3)</b>		
Balance with Banks - In Current Accounts	23.71	18.78
Cash on Hand	5.78	0.68
<b>Total (A)</b>	<b>29.49</b>	<b>19.45</b>
<b>b Other bank balances</b>		
Earmarked balances with banks		
Unpaid Dividend	5.70	3.81
In Deposit Accounts (with original maturity of more than 3 months and upto 12 months- under margin money)	100.21	37.50
In Deposit Accounts (With original maturity of more than 12 months- Under margin money)	-	70.12
<b>(B)</b>	<b>105.91</b>	<b>111.43</b>
<b>Total (A+B)</b>	<b>135.40</b>	<b>130.88</b>

## Notes to financial statements for the year ended 31st March 2016

### 17 SHORT TERM LOANS AND ADVANCES

(Rs. in lacs)

	As at 31 March, 2016	As at 31 March, 2015
Unsecured, considered good		
Loans and Advances to Related Parties (Refer Note No. 30 )	28.47	34.75
Prepaid Expenses	8.19	5.64
Security Deposits	35.27	62.55
Loans and Advances to Employees	5.23	5.03
Balances with Statutory / Government authorities	97.88	194.45
Advances to Suppliers	153.09	202.36
Other loans and advances	161.85	120.49
<b>Total</b>	<b>489.99</b>	<b>625.26</b>

### 18 OTHER CURRENT ASSETS

Interest accrued on fixed deposits with banks	7.65	8.29
Other Interest income	9.44	2.13
<b>Total</b>	<b>17.09</b>	<b>10.42</b>

### 19 REVENUE FROM OPERATIONS

a Sale of products - Export Sales	4,589.63	4,402.96
Sale of products - Domestic Sales *	14,526.51	11,842.61
* includes Rs. 126.10 lacs inter-unit sales. Previous Year:Nil)		
b Other operating revenues	1,138.38	1,254.87
	20,254.51	17,500.45
Less:		
c Excise duty	-1,799.03	-1,569.96
<b>Total</b>	<b>18,455.48</b>	<b>15,930.49</b>

### 20 OTHER INCOME

Interest on Fixed Deposits with Banks	15.52	8.29
<b>Total</b>	<b>15.52</b>	<b>8.29</b>

## Notes to financial statements for the year ended 31st March 2016

### 21 COST OF MATERIALS CONSUMED

(Rs. in lacs)

	<b>As at 31 March, 2016</b>	<b>As at 31 March, 2015</b>
Opening stock	831.79	700.21
Add: Purchases *	12,125.88	10,460.56
* includes Rs. 126.10 lacs inter-unit purchase. Previous Year:Nil)		
	12,957.67	11,160.76
Less: Closing stock	900.90	831.79
Cost of material consumed	12,056.76	10,328.97
Material consumed comprises:		
Raw material	11,383.98	9,807.87
Job work Expenses	672.78	521.10
<b>Total</b>	<b>12,056.76</b>	<b>10,328.97</b>

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

<b>Inventories at the end of the year</b>		
Finished goods	961.81	775.47
Work-in-process	2,501.93	2,762.78
Stock-in-trade	23.60	29.80
	3,487.34	3,568.05
<b>Inventories at the beginning of the year</b>		
Finished goods	775.47	672.76
Work-in-process	2,762.78	2,324.37
Stock-in-trade	29.80	25.92
	3,568.05	3,023.05
<b>Net decrease / (increase) in stock</b>	<b>80.70</b>	<b>-545.00</b>

### 23 EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonus	1,212.46	1,129.72
Director's Remuneration	54.92	53.85
Contribution to provident and other funds	67.34	72.69
Staff welfare expenses	29.64	42.81
<b>Total</b>	<b>1,364.36</b>	<b>1,299.07</b>

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 31.03.2016 on account of gratuity is Rs.152.02 lacs (Net ) [Previous Year Rs. 145.37 lacs (Net)] and on account of Leave Encashment is Rs.50.87 lacs. (Previous Year Rs. 44.47 lacs ).

## Notes to financial statements for the year ended 31st March 2016

### 24 FINANCE COSTS

(Rs. in lacs)

	As at 31 March, 2016	As at 31 March, 2015
Interest expense on:		
Borrowings	453.55	457.56
Other borrowing costs	216.99	123.27
<b>Total</b>	<b>670.53</b>	<b>580.83</b>

### 25 OTHER EXPENSES

<b>Consumption of stores and spare parts</b>	805.01	983.99
Consumption of packing materials	521.74	460.35
Power and fuel	1,386.79	1,539.57
Water charges	8.58	11.40
Repairs and maintenance - Buildings	16.40	6.34
Repairs and maintenance - Machinery	87.13	73.88
Repairs and maintenance - Others	15.19	18.52
Insurance	16.56	7.05
Rates and taxes	32.50	32.40
Director's Sitting Fees	5.10	2.35
Communication	14.50	13.45
Travelling and conveyance	94.84	90.42
Printing and stationery	11.38	11.66
Freight and forwarding	455.68	499.30
Sales discount	96.51	52.19
Business promotion	50.06	34.94
Donations and contributions	3.58	0.73
Legal and professional	55.03	37.95
Payment to Statutory Auditors	1.50	1.50
Miscellaneous expenses	47.19	37.98
<b>Total</b>	<b>3,725.29</b>	<b>3,915.97</b>

#### Note : OTHER EXPENSES (CONTD.)

##### Payments to the auditors comprises

As auditors - statutory audit	1.25	1.25
For taxation matters	0.25	0.25
<b>Total</b>	<b>1.50</b>	<b>1.50</b>

### 26 EXCEPTIONAL ITEMS \*

Profit on Sale of Fixed Assets (Land)	-	81.64
Loss on Sale of Fixed Assets (Machinery)	-0.40	6.36
Profit on Sale of Fixed Assets (Vehicle)	0.45	-0.24
<b>Total</b>	<b>0.05</b>	<b>87.77</b>

\* Exceptional items consists of Profit on Sale of Vehicle and Loss on sale of Machinery.

## Notes to financial statements for the year ended 31st March 2016

### 27 EARNING PER SHARE

(Rs. in lacs)

	As at 31 March, 2016	As at 31 March, 2015
Profit after tax	183.55	122.67
Weighted Average No. of Equity Shares Outstanding	5,394,005	5,394,005
Nominal Value of shares (in Rs.)	10.00	10.00
Basic & Diluted Earnings Per Share (In Rs.)	3.40	2.27

### 28 CONTINGENT LIABILITIES AND COMMITMENTS

#### 1 Contingent Liabilities

a Guarantees issued by banks on behalf of the company and outstanding	171.48	47.00
b Liabilities against the Company not acknowledged as debts		
for Income tax	41.95	69.87
for sales tax	19.64	19.64
c Foreign Bills and Inland bills discounted and outstanding	346.53	319.39
d Letters of Credit for Purchases	418.62	500.00
e The company has given performance guarantees and /or guarantees against loans given by Karvy Finance Services Limited to Akar Industries Pvt.Ltd	175.00	-

#### 2 Commitments

##### a Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	39.87	-
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##### b Unpaid Dividend

(Rs. in lacs)

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 31.03.2016
2008-09	30-09-09	04-11-16	0.66
2009-10	24-09-10	29-10-17	1.05
2010-11	26-09-11	31-10-18	1.03
2011-12	29-09-12	04-11-19	0.40
2012-13	27-09-13	01-11-20	0.43
2013-14	29-09-14	03-11-21	0.57
2014-15	30-09-15	04-11-22	0.54

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

The principal amount payable to supplier as at the end of each accounting year.	394.87	355.19
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## Notes to financial statements for the year ended 31st March 2016

### 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	R L Gupta - Chairman Sunil Todi - Managing Director Shri Pradeep Nijampurkar -Executive Diector N K Gupta - Director Radhamohan Garg- Chief Financial Officer Rajshree Dubey- Company Secretary
3	Relatives of Key Management Personnel	Nitin Gupta Usha Devi Gupta Shushila Devi Gupta

2 Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March,2016

(Rs. in lacs)

SI No.	Particulars	Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
	<b>Part 1: Transaction During the Period</b>								
<b>1</b>	<b>Sale of Goods</b>								
	R.L. Steels & Energy Ltd	1,173.30	1,359.06					1,173.30	1,359.06
<b>2</b>	<b>Purchase of Goods</b>								
	R.L. Steels & Energy Ltd	7,533.31	9,238.29					7,533.31	9,238.29
	Akar Industries Pvt Ltd.	2,264.68	14.61					2,264.68	14.61
<b>3</b>	<b>Loan/Advances Given/taken</b>								
	Akar Alloys Pvt Ltd.	14.35	-					14.35	-
	Akar Industries Pvt Ltd.	-500.00	-					-500.00	-
	Aurangabad Forgings P Ltd.	-	-1.20					-	-1.20
	Shushila Devi Gupta	-	-			-49.35	49.35	-49.35	49.35

## Notes to financial statements for the year ended 31st March 2016

### 30 RELATED PARTY DISCLOSURE (contd.)

(Rs. in lacs)

Sl No.	Particulars	Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>4</b>	<b>Rent Paid</b>								
	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
<b>5</b>	<b>Security Deposits (Agt Rent)</b>								
	Gupta Concast Ltd		250.00					-	250.00
<b>6</b>	<b>Remuneration</b>								
	Sunil Todi			41.75	40.67			41.75	40.67
	Shri Pradeep Nijampurkar			13.18	13.18			13.18	13.18
	Radhamohan Garg			20.24	16.26			20.24	16.26
	Rajashree V Dubey			3.52	4.45			3.52	4.45
	Usha Devi Gupta						9.00	-	9.00
	<b>Part 2: Balance at the end of the period</b>								
<b>1</b>	<b>Trade Payable</b>								
	R.L. Steels & Energy Ltd	1,969.36	3,368.71					1,969.36	3,368.71
	Akar Industries Pvt Ltd	1.49	69.68					1.49	69.68
	R.L. Gupta	0.90	-					0.90	-
	N.K. Gupta	12.00	-					12.00	-
	Shatrunji Investments Pvt Ltd	0.78	-					0.78	-
	Gupta concast Ltd	22.60	42.13					22.60	42.13
<b>2</b>	<b>Loans &amp; Advances</b>								
	Akar Alloy Pvt Ltd	14.35	-					14.35	-
	Aurangabad Forgings P Ltd.	5.00	7.70					5.00	7.70
	Lavanya Finvest Pvt Ltd.	3.50	3.50					3.50	3.50
	Shushila Devi Gupta					-	49.35	-	49.35
<b>3</b>	<b>Security Deposits (Agt Rent)</b>								
	Gupta concast Ltd	250.00	250.00					250.00	250.00
<b>4</b>	<b>Investment in Shares (Unquoted)</b>								
	Gupta concast Ltd	9.30	9.30					9.30	9.30
<b>5</b>	<b>Managerial Remuneration (payable/recoverable)</b>								
	Sunil Todi			0.84	2.47			0.84	2.47

## Notes to financial statements for the year ended 31st March 2016

### 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.

(Rs. in lacs)

Name	Rate of interest	31.03.2016	31.03.2015	Purpose
Akar Alloy Pvt Ltd	N.A.	14.35	0.00	Advance receivable on demand
Aurangabad Forgings P Ltd.	N.A.	5.00	7.70	Advance against rent payable
Lavanya Finvest Pvt Ltd.	N.A.	3.50	3.50	Advance receivable on demand
Shushila Devi Gupta	N.A.	0	49.35	N.A.

### 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.

(Rs. in lacs)

	For the year ended 31st March, 2016			For the year ended 31st March, 2015		
	Business segments		Total	Business segments		Total
	Hand Tools	Leaf Spring		Hand Tools	Leaf Spring	
<b>Revenue</b>						
External Sales	13,657.25	6,597.26	20,254.51	11,751.29	5,749.16	17,500.45
<b>Total Revenue</b>	<b>13,657.25</b>	<b>6,597.26</b>	<b>20,254.51</b>	<b>11,751.29</b>	<b>5,749.16</b>	<b>17,500.45</b>
<b>Results</b>						
<b>Segment Results</b>	<b>541.61</b>	<b>-257.73</b>	<b>283.88</b>	<b>300.74</b>	<b>-120.08</b>	<b>180.66</b>
<b>other Information</b>						
Segment Assets	10,506.16	2,078.12	12,584.28	9,334.23	2,167.93	11,502.16
Investments	10.80	-	10.80	10.80	-	10.80
<b>Total</b>	<b>10,516.96</b>	<b>2,078.12</b>	<b>12,595.08</b>	<b>9,345.03</b>	<b>2,167.93</b>	<b>11,512.96</b>
Segment Liabilities	4,680.41	4,996.54	9,676.96	4,017.75	4,705.46	8,723.20
Share Capital & Reserve	5,369.85	-2,872.44	2,497.41	4,873.50	-2,491.79	2,381.71
Un-allocable D. Tax Liability	466.69	-45.99	420.70	453.79	-45.74	408.05
<b>Total</b>	<b>10,516.96</b>	<b>2,078.12</b>	<b>12,595.08</b>	<b>9,345.03</b>	<b>2,167.93</b>	<b>11,512.96</b>

## Notes to financial statements for the year ended 31st March 2016

### 32 DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

#### a Value of Imported and Indigenous Raw Material Consumed

	As at 31 March, 2016		As at 31 March, 2015	
	(Rs. in lacs)	% of Total Consumption	(Rs. in lacs)	% of Total Consumption
Imported	67.12	0.59%	76.01	0.77%
Indigenous	11,316.86	99.41%	9,731.86	99.23%
<b>Total</b>	<b>11,383.98</b>	<b>100.00%</b>	<b>9,807.87</b>	<b>100.00%</b>

#### b Value of Imported and Indigenous Stores & Spares Consumed

	As at 31 March, 2016		As at 31 March, 2015	
	(Rs. in lacs)	% of Total Consumption	(Rs. in lacs)	% of Total Consumption
Imported	5.07	0.63%	6.14	0.62%
Indigenous	799.94	99.37%	977.85	99.38%
<b>Total</b>	<b>805.01</b>	<b>100.00%</b>	<b>983.99</b>	<b>100.00%</b>

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

(Rs. in lacs)

	As at 31 March, 2016	As at 31 March, 2015
<b>a CIF Value of Imports</b>		
Raw Material & Traded Goods	67.12	76.01
Stores & Spares	5.07	6.14
Packing Material	-	1.74
Capital Goods-Advance	179.21	-
<b>b Expenditure in foreign currency</b>		-
Foreign Travelling	36.88	22.93
Commission	11.37	5.11
<b>c Earnings in foreign currency</b>		-
Value of Export Sales (FOB Basis)	4,589.63	4,402.96

### 34 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

(Rs. in lacs)

Year of remittance (eanding on)	As at 31 March, 2016	As at 31 March, 2015
Number of non-resident shareholders	15	15
Number of equity shares held on which dividend is due	17600	17600
Amount remitted (Rs.in lacs) *	0.12	0.11
Year to which dividend relates	2014-15	2013-14

\* Dividend of Rs. 0.12 lacs (previous year Rs.11 lacs) 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 2016

### 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	Exposure to buy / sell	As at 31 March, 2016		As at 31 March, 2015	
		Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
		US Dollars	sell	0.00	0.00

(Rs. in lacs)

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

Particulars	Exposure in foreign currency	As at	As at
		31 March, 2016	31 March, 2015
Trade Receivables	USD	810.08	736.13
Advance payment to suppliers	EURO	179.21	0.00

(Rs. in lacs)

- 36 Confirmations for Loans and advances 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 crystallised .
- 37 Investors' Protection Fund: A sum of Rs. 0.97 lacs relating to F.Y.2007-08 is due and outstanding for transfer to the credit of the Investors' Protection Fund as on 31.03.2016 (Previous Year Rs.NIL).
- 38 Sales and Purchases includes Rs. 126.09 Lacs- inter-unit sales and purchases. (Previous Year:Nil). It has no effect on the profitability of the company.)
- 39 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

**A K Bagadia**  
Proprietor  
Membership NO. 30520  
Place : AURANGABAD.  
Date : 30th May, 2016

For and on behalf of the Board of Directors of **AKAR TOOLS LIMITED**

**R L Gupta**  
Chairman

**Radhamohan Garg**  
Chief Financial Officer

Place : AURANGABAD.  
Date : 30th May, 2016

**Sunil Todi**  
Managing Director

**Rajashree V. Dubey**  
Company Secretary

**N . K . Gupta**  
Director



## 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 27th Annual General Meeting of the Company to be held on Friday, 30th September, 2016 at 11:00 A.M. and at any adjournment thereof in respect of resolutions 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, 2016, the Balance Sheet as on that date, the Board and the Auditors' Reports thereon.		
2	Declaration of dividend on equity shares for the Financial Year Ended 31st March, 2016		
3	Appoint a Director in place of Shri. R. L. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.		
4	Appoint a Director in place of Shri. Sunil Todi, who retires by rotation and being eligible, offers himself for re-appointment.		
5	Ratify appointment of Statutory Auditors to hold office from conclusion of this meeting until the conclusion of Twenty Seventh AGM and to fix their remuneration.		
Special Business			
6	Appointment and ratification of remuneration of M/s B. R. Chandak & Co, Cost Accountants.		
7	Re-designation of Mr. Pradeep Nijampurkar as Whole Tome Director		
8	Adoption of New Sets of Articles of Association of Company inter-alia pursuant to the Companies Act, 2013		
9	Amendment (s) to Memorandum of Association of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of shareholder: \_\_\_\_\_

Affix Re. 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 27th Annual General Meeting of the Company held at Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai – 400021 on Friday the 30th September, 2016 at 11.00 a.m.

---

Member/Proxy's Name (in Block Letter)

---

Member's/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.





Designed by:



[redprocommunication@gmail.com](mailto:redprocommunication@gmail.com)

# BOOK-POST



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