



Akar Auto Industries Limited  
Annual report 2018-19

# Envisioning the future Performing Sustainably



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# Corporate Information

## BOARD OF DIRECTORS

Mr. R. L. Gupta - *Chairman*  
Mr. Sunil Todi - *Managing Director*  
Mr. N. K. Gupta - *Non-Executive Director*  
Mr. P. M. Nijampurkar - *Whole-Time Director*  
Mr. V. K. Chopra - *Independent Director*  
Mr. S. N. Shukla - *Independent Director*  
Mr. B. R. Galgali - *Independent Director*  
Mrs. Bhavana Saboo - *Independent Director*  
Mr. Anil Kumar Gupta - *Additional Director*  
Mr. Ulhas Gaoli - *Additional Director*

## CHIEF FINANCIAL OFFICER

Mr. Vinay Joshi

## COMPANY SECRETARY

Mr. Mitesh Gadhiya

## BANKERS

Canara Bank

## REGISTERED OFFICE

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

## ADMINISTRATIVE AND CORPORATE OFFICE

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

## FACTORIES

**Unit I:** E-5, MIDC Area, Waluj,  
Aurangabad, M.S - 431136

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

**Unit III:** Gut No. 24-25, Paithan Road, Chitegaon,  
Aurangabad, M.S - 431107

**Unit IV:** Plot No. G-45-46, MIDC, Chikalthana Jalna  
Road, Aurangabad, M.S - 431210

## STATUTORY AUDITORS

M/s Jaju and Kabra  
Office No. 4, Konark Villa,  
Bh. Gopal Cultural Hall, New Osmanpura,  
Aurangabad - 431005

## REGISTRAR & SHARE TRANSFER AGENTS

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

**For any queries regarding Annual Report, contact:**

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

# Notice to Members

NOTICE is hereby given that the **Thirtieth Annual General Meeting** of the Members of **Akar Auto Industries Limited** (Formerly known as Akar Tools Limited) will be held on **Wednesday, 25th day of September 2019 at 11.30 A.M. at Y. B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai-400021** to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and the Statement of Profit and Loss along with Cash Flow Statement and Notes to Accounts for the year ended 31st March 2019 together with Board's Report and Auditor's Report thereon.
2. To declare dividend for the Financial Year ended 31st March, 2019.
3. To appoint a Director in place of Mr. R. L. Gupta (holding DIN 00061861), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

4. **Ratification of remuneration to Cost Auditor for the financial year 2019-20.**

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

**"RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s B. R. Chandak & Company, Cost Accountants (Firm Registration No. 021959), who have been appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020, on a remuneration of ₹ 55,000/- (Rupees Fifty Five Thousand only) plus taxes as applicable, be and is hereby ratified."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

5. **Appointment of Mr. Anil Kumar Gupta as an Independent Director.**

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

**'RESOLVED THAT** pursuant to provisions of sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act'), the rules made thereunder read with Schedule IV to the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Anil Kumar Gupta (DIN 02643623) who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an additional director under section 161(1) of the Act and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner, be and is hereby appointed as an independent director of the Company for a consecutive period of five years, effective from 13th August, 2019 up to 12th August, 2024.

**'RESOLVED FURTHER THAT** pursuant to the provisions of section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Anil Kumar Gupta be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.'

6. **Appointment of Mr. Ulhas Narayanrao Gaoli as an Independent Director.**

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

**'RESOLVED THAT** pursuant to provisions of sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act'), the rules made thereunder read with Schedule IV to the

Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ulhas Narayanrao Gaoli (DIN 00286833) who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an additional director under section 161(1) of the Act and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner, be and is hereby appointed as an independent director of the Company for a consecutive period of five years, effective from 13th August, 2019 up to 12th August, 2024.

**'RESOLVED FURTHER THAT** pursuant to the provisions of section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Ulhas Narayanrao Gaoli be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.'

**7. Approval for Issue of Redeemable Non-convertible Debentures.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force), the Foreign Exchange Management Act, 1999, as amended, rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, Reserve Bank of India, Securities and Exchange Board of India, including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, or any

other regulatory authority, and in accordance with the Memorandum of Association and the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as might be required from any regulatory authority and subject to such conditions as may be prescribed by such regulatory authority while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company / any committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this resolution may accept, the consent of the members be and is hereby accorded to the Board to make offer(s) or invitation(s) to subscribe the redeemable Non-Convertible Debentures (NCDs), on a private placement basis, in one or more tranches, during a period of one year from the date of passing of special resolution by the members, up to ₹ 15 Crores (Rupees Fifteen Crores only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board/Committee, be and is hereby authorized to determine and consider terms that are proper and most beneficial to the Company including, without limitation, the terms of issue including the class of investors to whom the NCDs are to be issued, time, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium/ discount, utilization of the issue proceeds and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writings, as may be required in this regard and matters connected therewith or incidental thereto."

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

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

**"RESOLVED THAT** pursuant to the provisions of the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as

applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to ratify/ approve all existing contracts / arrangements/ agreements and to enter into contract(s)/ transaction(s) with R. L. Steels & Energy Limited and Akar Industries Private Limited, related parties within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten per cent of the annual turnover of the Company as per audited financial statements of the Financial Year 2018-19; having the following details and as detailed in the Explanatory Statement annexed hereto:

Sr. No.	Name of Related Party	Nature of Transaction	Period of Contract / Arrangement	Amount (₹ In Lakhs)
1	R. L. Steels & Energy Limited	Sale of Scrap / Others	1st April 2019 to 31st March 2020	2,500.00
		Purchase of Raw Material		15,000.00
2	Akar Industries Private Limited	Purchase of Raw Material	1st April 2019 to 31st March 2020	6,000.00

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

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

**By order of the Board**

Sd/-

MITESH GADHIYA  
(Company Secretary)

Date: 13th August 2019  
Place: Aurangabad

## NOTES FOR MEMBERS' ATTENTION

As Akar Auto Industries Limited (Formerly known as Akar Tools Limited), being a listed company and having more than 1,000 shareholders, is compulsorily required to provide remote e-voting facility to members in terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 30th AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

1. The Company's Statutory Auditors, M/s Jaju and Kabra, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting of the Members held on September 22, 2017 on a remuneration to be determined by the Board of Directors. Their appointment was subject to ratification by the Members at every subsequent Annual General Meeting held after the AGM held on September 22, 2017.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification of the Member for continuance of their appointment at this Annual General Meeting is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORMS, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital

of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. 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.
5. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2019 to 20th September, 2019 (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 13th September, 2019.
7. 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.
8. 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.
9. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company earlier.
10. 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.

11. Members seeking further information about the accounts are requested to write at least 7 days before the date of the meeting so that it may be convenient to get the information ready at the meeting.
12. 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.
13. 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.
14. Members are requested to send all their documents and communication pertaining to shares to Big Share Services Private Limited, Share Transfer Agent of the Company at their address 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apt., Marol Maroshi Road, Andheri East, Mumbai-400059, for both physical and demat segments of equity shares.
15. 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 Bigshare Services Pvt. Ltd. for their doing needful.
16. Members are requested to notify change in address, if any, immediately to Bigshare Services Pvt. Ltd. quoting their folio numbers.
17. As per the provisions of Section 72 of Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to cancel the earlier nomination and record fresh nomination, he / she may submit the same in Form No. SH-14. Both forms can be downloaded from Company's website [www.akartoolsLtd.com](http://www.akartoolsLtd.com) under the 'Investor' Section. Members holding shares in physical form are requested to submit the shares to the Company. Members holding shares in electronic form may submit the forms to their respective Depository participant.
18. Members are hereby informed that after the amendment of the erstwhile Companies Act, 1956 w.e.f. 31st October, 1998, the Company is obliged to transfer any money lying in the Unpaid Dividend

Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ('the Fund') established by the Central Government. Sections 124 and 125 of the Companies Act, 2013 ('the Act'), read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), applicable w.e.f. 7th September, 2016, also make similar provisions for transfer of unclaimed/ unpaid dividend to the Fund.

As per the above provisions, unclaimed/ unpaid dividend up to the financial year ended 31st March, 2011 has been transferred by the Company to the Fund. Members who have not yet encashed their dividend warrant(s) for any subsequent financial years are requested to make their claims to the Company without any delay.

It may be noted that unclaimed dividend for the financial year 2011-12 declared on 29th September, 2012, can be claimed by the Members by 4th November, 2019.

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

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

In order to help Members to ascertain the status of unclaimed dividends, the Company has uploaded the information in respect of unclaimed dividends for the financial year ended 31st March, 2012 and subsequent years on the website of Investor Education and Protection Fund, [www.iepf.gov.in](http://www.iepf.gov.in) and under 'Investor' Section on the website of the Company, [www.akartoolsLtd.com](http://www.akartoolsLtd.com). Also the list of equity shareholders whose shares are liable to be transferred to IEPF can be accessed on the website of the Company [www.akartoolsLtd.com](http://www.akartoolsLtd.com) under 'Investor' section.

19. Information relating to the Director(s) retiring by rotation and seeking appointment / re-appointment at this Meeting, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015, is annexed to this notice.

20. The Notice of the 30th Annual General Meeting and the Annual Report 2018-19 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).
21. 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.

## 22. 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 30th 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, 13th September, 2019 (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 22nd September, 2019 at 9.00 a.m and ends on 24th September, 2019 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 13th September, 2019 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:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <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 OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <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 Akar Auto Industries Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](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. Mr. Nitin S. Sharma (COP No 9761), Practising Company Secretary has been appointed as Scrutinizer for conducting the e-voting process in a fair and transparent manner.

- g. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot papers and thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within 24 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.
- h. The Results declared 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.
- By order of the Board**
- Sd/-  
MITESH GADHIYA  
(Company Secretary)
- Date: 13th August 2019  
Place: Aurangabad

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

### ITEM NO 4:

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 29th May, 2019 has considered and approved appointment M/s B. R. Chandak & Co, Cost Accountants, for conducting of Cost Audit of all applicable products at a remuneration of ₹55,000/- (Rupees Fifty Five Thousand Only) plus taxes as applicable for the Financial Year ending 31st March, 2020.

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

None of the Directors of the Company or Key Managerial Persons of the Company or their relatives, are concerned or interested in the passing of the above mentioned resolution.

Your Directors recommend an Ordinary Resolution as set out in Item no. 4 of the Notice for the approval of Members.

### ITEM NO 5 & 6:

Mr. Anil Kumar Gupta (DIN 02643623) and Mr. Ulhas Narayanrao Gaoli (DIN 00286833) on the recommendation of Nomination and Remuneration Committee were appointed by the Board of Directors of the Company as an additional director in the capacity of independent director on 13th August, 2019. They hold office until the ensuing AGM under section 161(1) of the Act.

They have submitted the declaration of independence, pursuant to section 149 (7) of the Act, stating that they meet the criteria of independence as provided in section 149 (6) and regulation 16 of the Listing Regulations. Mr. Anil Kumar Gupta and Mr. Ulhas Narayanrao Gaoli are not disqualified from being appointed as a director in terms of section 164 of the Act.

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the Company by any member from Monday to Friday from 10.00 am to 12.30 pm. except holidays and the same shall also be available at the Company's website [www.akartoolsLtd.com](http://www.akartoolsLtd.com).

In respect of the appointment of Mr. Anil Kumar Gupta and Mr. Ulhas Narayanrao Gaoli, a notice in writing in the prescribed manner, as required by section 160 of the Act, as amended and as per rules made thereunder, has been received by the Company, regarding their candidature for the office of the director.

According to section 152 of the Act, read with Schedule IV to the Act, in the opinion of the Board, the proposed appointment of the aforesaid directors as independent directors, fulfils the conditions specified in the Act and the rules made thereunder and also under the Listing Regulations and that the proposed appointment of Mr. Anil Kumar Gupta and Mr. Ulhas Narayanrao Gaoli are independent of the Management.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Independent Directors are in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 5 and 6 of the Notice.

Your Directors recommend an Ordinary Resolution as set out in Item Nos. 5 and 6 of the Notice for the approval of Members.

### **ITEM NO 7:**

As per the provisions of Section 42 of the Companies Act, 2013 ("Act"), including any statutory modifications or re-enactments thereof for the time being in force, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, a company offering or making an invitation to subscribe to Non Convertible Debentures ("NCD") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, which can be obtained once a year for all the offers and invitations for such NCDs during the year.

At the 29th Annual General Meeting held on 28th September, 2018, the consent of shareholders was accorded by way of Special Resolution for issue of Non Convertible Debentures, but such Debentures could not be issued during the period for which the consent was given, therefore it is again proposed to issue Non Convertible Debentures as a source of funding for the purpose of augmentation of working capital, modernisation and capacity expansion.

The approval of the Members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any, of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions for NCDs on a private placement basis, in one or more tranches, during a period of one year from the date of passing of special resolution by the members,

upto an amount not exceeding ₹ 15 crores, within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price, of the NCDs. The proposed borrowings, along with the existing borrowings of the Company, would not exceed the aggregate outstanding borrowings of the Company approved by the Members, from time to time.

None of the Directors of the Company or Key Managerial Persons of the Company or their relatives, are concerned or interested in the passing of the above mentioned resolution.

Your Directors recommend the Special Resolution as set out in Item No. 7 of the Notice for the approval of Members.

### **ITEM NO 8:**

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

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

Company as per the audited financial statements of the Company of the year ended 31st March, 2019:

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

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

In view of the above, it is proposed to seek approval of the members of the Company through an Ordinary resolution for the above transactions and the related parties are abstained from voting on the resolution as set out at Item No. 8.

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

Your Directors recommend an Ordinary Resolution as set out in Item No. 8 of the Notice for the approval of Members.

**Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief profile of Directors, eligible for appointment / re-appointment vide Item no. 3, 5 and 6 are as follows:**

<b>Name of Director</b>	<b>Mr. R. L. Gupta</b>	<b>Mr. Anil Kumar Gupta</b>	<b>Mr. Ulhas Gaoli</b>
DIN	00061861	02643623	00286833
Date of Birth	31/03/1933	02/04/1951	02/08/1951
Date of Appointment	21/06/1989	13/08/2019	13/08/2019
Qualification	Commerce Graduate	Mechanical Engineer	Doctorate in Business Administration
Experience	More than 50 years of vast experience in steel industries, hand tools industries & forging industries	Worked as Chief Scientist (G) & Head, Division of Engineering Materials and Metals & Alloys Group CSIR - National Physical Laboratory (NPL) New Delhi	Worked as: <ul style="list-style-type: none"> <li>• MD of MAVIM Ltd.</li> <li>• Vice President of Garware Polyester Ltd.</li> <li>• Chairman of Hindustan Awas Ltd.</li> <li>• Corporate Advisor to Skoda Auto India Ltd.</li> </ul>
Expertise in specific functional area	Production and Administration	Overall Advisory	Overall Advisory
List of other Directorship held in other listed companies	Nil	Executive Director of Shivam Autotech Limited	Nil
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director	Nil	Member of following committees of Shivam Auto Tech Limited: <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Stakeholders' Relationship Committee</li> <li>• CSR Committee</li> <li>• Risk Management Committee</li> </ul>	Nil
No. of shares held in Company	8,88,080	Nil	Nil
Relationship between Directors inter-se	Father of Mr. N. K. Gupta	Nil	Nil

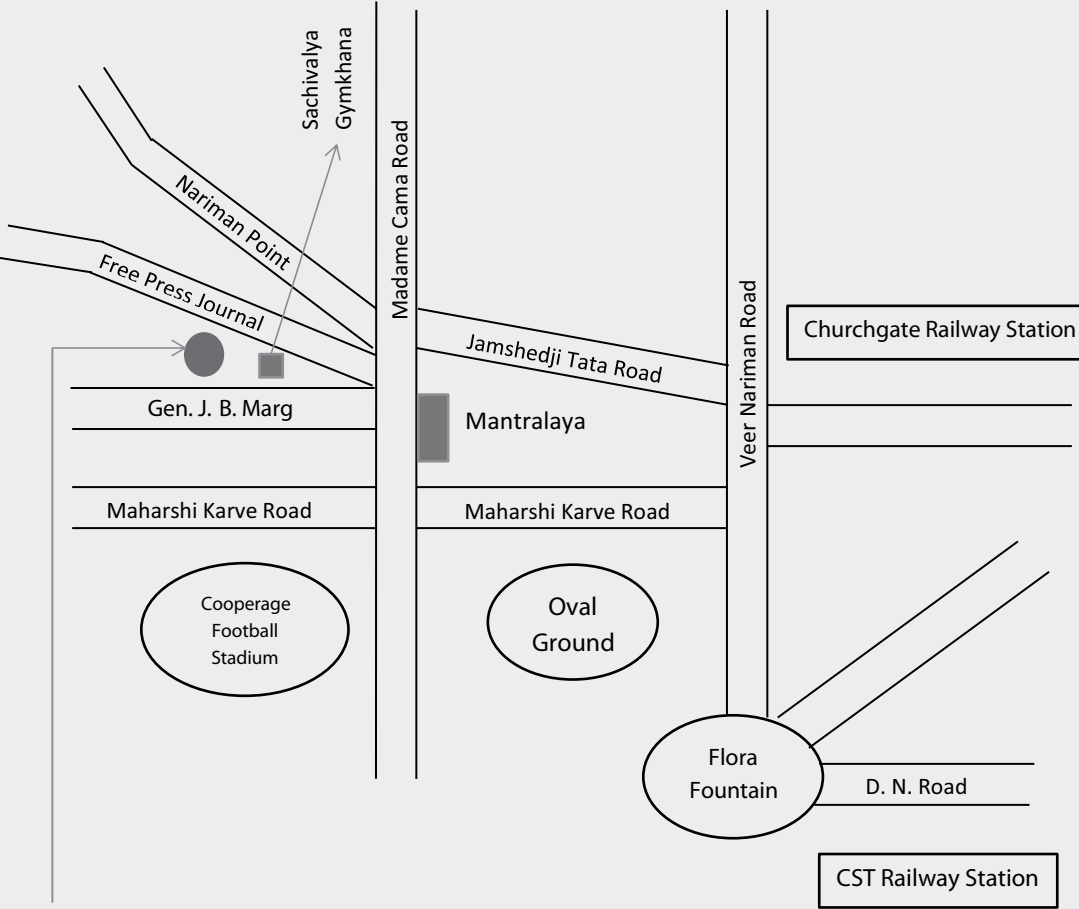
**By order of the Board**

Sd/-

**MITESH GADHIYA**  
(Company Secretary)

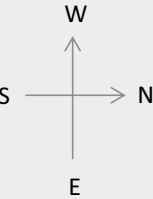
Date: 13th August 2019  
Place: Aurangabad

ROUTE MAP TO THE VENUE OF THE 30TH ANNUAL GENERAL MEETING TO BE HELD  
ON WEDNESDAY, 25TH SEPTEMBER, 2019



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

Not to scale



# Directors' Report

## To the Members,

Your directors have pleasure in presenting the Thirtieth Annual Report on the business and operations of Company and the financial accounts for the year ended 31st March 2019.

## FINANCIAL HIGHLIGHTS:

The financial highlights of your Company, for the year ended 31st March, 2019 are summarized below:

Particulars	(₹ in Lakhs)	
	31st March, 2019	31st March, 2018
Net Revenue from Operations	27,778.88	24,144.58
Other Income	22.04	76.81
Profit before Tax and Exceptional Items	653.56	641.27
Exceptional Items	(62.88)	(144.58)
Profit before Tax	590.67	496.69
Tax	69.56	176.54
Profit After Tax	521.11	320.15
<b>Movement in Retained Earnings</b>		
Balance Brought Forward	1,571.19	1,338.62
Add: Profit after Tax	521.11	320.15
Add: Other Comprehensive Income	(12.75)	(1.04)
Less: Dividend	59.33	59.33
Less: Dividend Tax	12.08	12.20
Less: Transfer to General Reserve	0.00	15.00
Balance Carried Forward	2,008.14	1,571.19

## COMPANY'S PERFORMANCE AND OPERATIONS:

The Company mainly manufactures automobile parts for heavy commercial vehicles as well as passenger vehicles. The Company's endeavour is to leverage its technology to meet the needs of the market and strengthen its position in its area of business. The Company has recorded another steady year of growth, despite performing in a highly competitive environment. The company achieved revenue from operations of ₹ 27,778.88 Lakhs as compare to ₹ 24,144.58 Lakhs in the previous year. The Profit after Tax was ₹ 521.11 Lakhs for the year under review as against ₹ 320.15 Lakhs in the previous year registering a growth of 62.77%.



## DIVIDEND

The Board of Directors have recommended a dividend of 11% i.e. ₹ 0.55/- per share (Previous Year ₹ 0.55/- per share) on 1,07,88,010 equity shares of ₹ 5/- each for the financial year 2018-19. The dividend on equity shares, if approved by the Members would involve a cash payout of ₹ 71.41 Lakhs, including dividend distribution tax of ₹ 12.08 Lakhs.

## FINANCIAL STATEMENTS

Full version of the Annual Report 2018-19 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, Corporate Governance Report) are being sent via email to all shareholders who have provided their email address(es).

Full version of Annual Report 2018-19 is also available for inspection at the registered office of the Company during working hours upto the date of ensuing Annual General Meeting (AGM). It is also available at the Company's website at [www.akartoolsLtd.com](http://www.akartoolsLtd.com).

## SHARE CAPITAL

The paid up equity share capital as on 31st March, 2019 was ₹ 5,39,40,050/- divided into 1,07,88,010 equity shares of face value of ₹ 5/- each. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

## TRANSFER TO RESERVES

The Board has decided to retain the entire amount of profits for the financial year 2018-19 in the profit and loss account. Thus, no amount has been transferred to any reserves during the financial year 2018-19.

## INVESTOR EDUCATION AND PROTECTION FUND

Dividend which was declared by the Company for the year ended 31st March, 2012 at the Annual General Meeting held on 29th September, 2012 and remain unclaimed will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government pursuant to the provisions of Companies Act, 2013. The last date for claiming the dividend is 28th September, 2019. Thereafter, no claim shall lie on dividend for the year ended March, 2012 from the shareholders.

MCA has notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules). Pursuant Section 124(6) of the Companies Act, 2013 read with IEPF Rules as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred by the Company to the IEPF.

During the financial year 2018-19, the Company had transferred shares to IEPF after communicating to the concerned members who had not claimed their dividend for seven consecutive years or more to provide them an opportunity to claim such dividend. The procedure for transfer of such shares to IEPF have been completed.

## SUBSIDIARIES

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

## CREDIT RATING

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

## PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES

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

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

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

## STATUTORY AUDITORS

M/s Jaju & Kabra, Chartered Accountants, Aurangabad were appointed as the statutory auditors of the Company, for the period of five (5) years at the 28th Annual General Meeting of the Company held on 22nd September, 2017. They have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company. The Independent Auditors Report for the financial year ended

31st March, 2019 does not contain any adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### **SECRETARIAL AUDITORS**

As per the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed M/s Nitin S. Sharma & Associates (CP No. 9761), Practising Company Secretaries, Aurangabad to undertake the Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report in Form No MR-3 for the Financial Year 2018-19 is annexed herewith as ANNEXURE III and forms a part of this report. The Secretarial Auditors Report for the financial year ended 31st March, 2019 does not contain any adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### **COST AUDITORS**

As per the provisions of Section 148 (3) of the Companies Act, 2013, the Board of Directors of the Company had appointed M/s B R Chandak & Co. (Registration No. 21959), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended 31st March 2019. The Cost Auditor has submitted its report for the financial year 2018-19 to the Board of Directors and the same has been approved by the Board of Directors in their meeting held on 13th August, 2019. A proposal for ratification of remuneration of the Cost Auditors for the financial year 2019-20 is placed before the shareholders for ratification / approval.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEM**

According to Section 134(5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

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

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

### **DIRECTORS**

#### **Director retiring by rotation:**

Mr. R. L. Gupta (holding DIN 00061861) is a Non-Executive Non Independent Director of the Company. Since he was over 75 years, the Company prior to 31st March, 2019, through a postal ballot, obtained members approval for his continuance as a Director from 1st April, 2019.

Mr. R. L. Gupta retires by rotation under Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment. The brief resume of Mr. R. L. Gupta, the nature of his expertise in specific functional areas, names of the companies in which he has held directorships, committee memberships / chairmanships, his shareholding etc. are furnished in the explanatory statement to the notice of the ensuing AGM.

#### **Appointment of Directors:**

Upon the recommendation of Nomination & Remuneration Committee, the Board of Directors appointed Mr. Anil Kumar Gupta and Mr. Ulhas Gaoli as Additional Directors, being classified as Non-Executive Independent Director, with effect from 13th August, 2019 to hold office till the date of ensuing Annual General Meeting.

The Company has received notices under Section 160 of the Act, from a Member proposing the appointment of Mr. Anil Kumar Gupta and Mr. Ulhas Gaoli as Non-Executive Independent Directors of the Company. Approval of the Members by way of ordinary resolutions for appointing the aforesaid persons as Non-Executive Independent Directors has been sought in the Notice convening the Annual General Meeting of the Company. (Please refer to Item Nos. 5 and 6 of the Notice).

#### **Declaration by Independent Directors:**

Your Company has received declarations from Mr. V. K. Chopra, Mr. S. N. Shukla, Mr. Bhimsen Galgali, Mrs. Bhavana Saboo, Mr. Anil Kumar Gupta and Mr. Ulhas Gaoli, Independent Directors, under provisions of Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013.

## KEY MANAGERIAL PERSONNEL

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

Mr. Sunil Todi	Managing Director
Mr. P. M. Nijampurkar	Whole-time Director
*Mr. Vinay Joshi	Chief Financial Officer
Mr. Mitesh Gadhiya	Company Secretary

\*Mr. Vinay Joshi, has been appointed as the Chief Financial Officer of the Company with effect from 12th November, 2018.

\*Mr. Sanjay Jhavar resigned as Chief Financial Officer of the Company with effect from 6th July, 2018.

## EXTRACT OF THE ANNUAL RETURN

In accordance with requirements under Section 134(3) (a) and Section 92(3) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in form MGT 9 is given in ANNEXURE IV which forms part of this report. The same is also available on the Company's website [www.akartoolsLtd.com](http://www.akartoolsLtd.com).

## CORPORATE GOVERNANCE

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

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

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE MEETINGS

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

## PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations 2015, the Board,

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has in place a vigil mechanism for Directors and employees of the Company.

## NOMINATION AND REMUNERATION POLICY

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

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

The Nomination and Remuneration policy of the Company is available on Company's website [www.akartoolsLtd.com](http://www.akartoolsLtd.com).

## RELATED PARTY TRANSACTIONS

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

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

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

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

There is no loan given or guarantee provided or security provided or investment made by the Company during the financial year 2018-19 as per Section 186 of the Companies Act, 2013.

## DEMATERIALISATION OF SHARES

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on 31st March, 2019, 98.62% of the share capital stands dematerialized.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company does not exceed the threshold limits with respect to net worth or turnover or net profit as mentioned in Section 135 (1) of the Companies Act, 2013, as on 31st March, 2018. Therefore the provisions pertaining to Corporate Social Responsibility are not applicable to the Company for the year ended 31st March, 2019.

## DISCLOSURE ON AUDIT COMMITTEE

The Audit Committee as on March 31, 2019 comprises of the following Directors:

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

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

## RISK ASSESSMENT AND MANAGEMENT

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual financial statements for the year ended 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have, in consultation with Statutory Auditors, selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the net profit of the Company for the financial year ended 31st March 2019;
- (c) the Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down adequate internal financial controls to be followed by the Company and such internal financial controls were operating effectively during the financial year ended 31st March 2019; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively throughout the financial year ended 31st March 2019.

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

During the financial year ended 31st March 2019, there were no frauds reported by the auditors to the Audit Committee or the Board under Section 143 (12) of the Companies Act, 2013.

### **DEPOSITS**

Your Company has not accepted any deposits under Chapter V of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, during the period under review.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India i.e. Secretarial Standard-1 (SS-1) on the meetings of Board of Directors and Secretarial Standard-2 (SS-2) on General Meetings.

### **MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

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

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

### **CONTINGENT LIABILITIES**

The details of contingent liabilities are given in Note No. 31 of the Notes to Financial Statements.

### **NATURE OF BUSINESS**

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

### **HUMAN RESOURCES**

Your Company believes in engaging human resources as they are the key differentiator for the success of the Company. Keeping the employees engaged and committed can go a long way in attainment of objectives and ensuring sustained business performance. In line with this, your Company has initiated several interventions that will enhance the engagement of the employees. Being a people centric organisation, your Company recognises the significance of building next generation leadership by developing internal talent to meet the organisational objectives. Through this, the human resources function continues to align its strategic interventions and processes, while simultaneously addressing the needs of multiple stakeholders and maintaining a competitive employee cost. Your Company continues to have cordial and harmonious industrial relations across all the manufacturing units. The total number of employees of the Company as on March 31, 2019 stood at 364.

### **OCCUPATIONAL HEALTH, SAFETY, ENVIRONMENT AND INDUSTRIAL RELATIONS**

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

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

### **LISTING**

Your Company's shares continue to be listed on BSE Limited and are actively traded. The listing fee to BSE Limited for the year 2019-20 has been paid by your Company.

## **POLICY AGAINST SEXUAL HARASSMENT AT WORKPLACE**

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

No. of complaints received: Nil

No. of complaints disposed off: NA

## **CODE OF CONDUCT**

Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company. The Code of Conduct is available on the Company's Website [www.akartoolsLtd.com](http://www.akartoolsLtd.com).

## **POLICY FOR PRESERVATION OF DOCUMENTS AND ARCHIVAL POLICY**

In compliance with Regulation 9 of Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company has in place the policy for preservation of document and archival policy.

## **LOAN FROM DIRECTORS**

The Company has received a loan of ₹ 15,00,000/- (Rupees Fifteen Lakhs only) from Mr. R. L. Gupta, Non-Executive Director of the Company, during the financial year 2018-19. The Company has also received a declaration from him stating that the loan given by him is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others. This disclosure is being made pursuant to Rule 2 (1) (c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014.

## **ACKNOWLEDGEMENTS**

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

**For and on Behalf of Board**

Date: 13th August 2019

Place: Aurangabad

Sd/-

**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 2018-19:

Director's Name	Remuneration (₹ in Lakhs)	Median Remuneration (₹ in Lakhs)	Ratio
Mr. Sunil Todi	56.63	2.50	22.65
Mr. P.M. Nijampurkar	13.17	2.50	5.27

Notes:

- i. Independent Directors have been paid sitting fees for attending meeting of the Board or its Committees as disclosed in the Corporate Governance Report. The sitting fees paid have not been included in the details mentioned above.
  - ii. For Calculation of median remuneration, the employee count taken is 307 which comprises employees who have served for whole of the Financial Year 2018-19
2. Percentage increase in remuneration of each Director, Chief financial officer, Company Secretary in Financial Year 2018-19:

Director's/CFO/CS Name	Designation	% increase/decrease in remuneration in the Financial Year 2018-19
Mr. Sunil Todi	Managing Director	(10.83)%
Mr. P. M. Nijampurkar	Executive Director	0.00%
Mr. Vinay Joshi*	Chief Financial Officer	N.A.
Mr. Mitesh Gadhiya	Company Secretary	10.92%

\*Mr. Vinay Joshi was appointed on 12th November 2018

3. Percentage increase in the median remuneration of employees in the financial year 2018-19: 20.77%
4. Number of the Permanent employees on the rolls of the company as on 31.03.2019: 364
5. Average percentile increase in salaries of Employees other than Managerial personnel in the last Financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and any exceptional circumstances for increase in the Managerial Remuneration (if any):  
The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 8.27%, as against (10.83) % increase in the salary of Managing Director (Managerial personnel as defined under Companies Act, 2013). The increment given to each individual employee is based on the employees' potential, experience as well as their performance and contribution to the Company's progress over a period of time.
6. Affirmation of remuneration is as per the remuneration policy of the company.  
It is affirmed that the remuneration paid is as per the Nomination and Remuneration Policy adopted by the Company.

## 7. Top Ten Employees in terms of remuneration drawn during the year 2018-19:

Sr. No	Name	Designation	Remuneration (In Lakhs)	Qualification	Experience in Years	Date of commencement of employment	Age in Years	Particular of last employment
1	Sunil Todi	Managing Director	56.63	CA, CS	37	21.06.1989	56	R L Steels & Energy Ltd.
2	Nasim Ahmad	V.P. Operations	21.11	B.Tech. MBA	28	01.04.2005	49	M/S. Ambika Overseas(P) Ltd.
3	Jayendra Lily	Sr. Manager Marketing	15.96	MBA	15	10.10.2008	39	Marathwada Auto Comp Pvt. Ltd.
4	Pradeep Nijampurkar	Whole-time Director	13.17	MBA	36	31.07.2007	61	R L Steels & Energy Ltd.
5	Mitesh Gadhiya	Company Secretary	13.10	CS, LL.B	11	10.11.2016	35	R J Biotech Ltd.
6	Mohammad Inayatullah	A.G.M Quality Control	12.94	DME. B Tech	14	10.12.2013	38	JCB India Ltd.
7	Vinay Joshi	CFO	11.72	CA	21	12.11.2018	46	IRM Ltd.
8	Radhyeshyam Rathi	Manager Finance	11.59	CA	12	05.03.16	30	Century Rayon
9	Bhaleram Kadiyan	Sr. Manager	11.55	DME	27	16.02.2014	50	Toyo Spring Pvt. Ltd.
10	M. K. Verma	A.G.M Marketing	11.39	MBA	24	05.12.2010	51	Friends Auto Ltd.

Notes:

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

**For and on Behalf of Board**

Date: 13th August 2019  
Place: Aurangabad

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



## ANNEXURE - II

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

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

#### A. CONSERVATION OF ENERGY

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

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

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

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

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

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

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

#### B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

(i) Efforts made towards technology absorption:

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

(ii) Benefits derived:

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

(iii) Imported technology in previous three years:

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

(iv) Expenditure incurred on Research and Development:

Not significant

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

Particulars	2018-19	2017-18	2016-17
Foreign Exchange Earned	4,648.57	3,883.17	3,849.21
Foreign Exchange used	57.05	170.18	104.60

For and on Behalf of Board

Date: 13th August 2019  
Place: Aurangabad

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

# ANNEXURE - III

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,  
The Members,  
**AKAR AUTO INDUSTRIES LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Akar Auto Industries Limited** (Formerly known as Akar Tools Limited) bearing CIN. L29220MH1989PLC052305 (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on **March 31, 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2019** according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (f) 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 with respect to issue of securities;
- (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)
- (h) Securities and Exchange Board of India (buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

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

- (i) The Factories Act, 1948
- (ii) Air (Prevention & Control of Pollution) Act, 1981 and the rules made thereunder
- (iii) The Environment (Protection) Act, 1986 and the rules made thereunder
- (iv) The Water (Prevention & Control of Pollution) Act, 1974 and the rules made thereunder

The other general laws applicable to the Company:

- (v) Employees Provident Fund & Miscellaneous Provisions Act, 1952
- (vi) Payment of Gratuity Act, 1972
- (vii) Minimum Wages Act, 1948
- (viii) Professional Tax Act, 1975 and the rules made thereunder
- (ix) Payment of Bonus Act, 1965
- (x) Shop & Establishment Act, 1948
- (xi) Central Excise Act, 1944

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31st March, 2019. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

Pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of shareholders by way of special resolution was accorded through postal ballot for the following matters:

1. Continuation of Directorship of Mr. Raghunandanlal Gupta as Non-Executive Non-Independent Director.
2. Continuation of Current Term of Mr. Vijay Kumar Chopra as Non-Executive Independent Director.

For Nitin S. Sharma & Associates  
Company Secretaries

Sd/-

**Nitin S. Sharma**  
Proprietor

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

Date: 13th August 2019  
Place: Aurangabad

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

## **Annexure A to the Secretarial Audit Report**

To  
The Members

### **AKAR AUTO INDUSTRIES LIMITED**

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

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

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

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

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

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

For Nitin S. Sharma & Associates  
Company Secretaries

Sd/-

**Nitin S. Sharma**

Proprietor

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

Date: 13th August 2019  
Place: Aurangabad

## ANNEXURE - IV

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2019

(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 AUTO INDUSTRIES LIMITED (Formerly known as Akar Tools Limited)
d.	Category/Sub-category of the Company	Public Company/Limited by Share
e.	Address of the Registered office & contact details	304 Abhay Steel House, Baroda Street Carnac Bunder, Mumbai, Maharashtra - 400009
f.	Whether listed company	Yes
g.	Name, Address & contact details of the Registrar & Transfer Agent	Bigshare Services Pvt.Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apt. Marol Maroshi Road, Andheri East, Mumbai - 400059

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(Contributing 10% or more of the total turnover)

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

#### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

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

##### i. Category-wise of Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2018)				No. of Shares held at the end of the year (31st March, 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	5822030	0	5822030	53.97	5822030	0	5822030	53.97	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	2059796		2059796	19.09	2059716		2059716	19.09	0
d) Bank/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) (1)</b>	<b>7881826</b>	<b>0</b>	<b>7881826</b>	<b>73.06</b>	<b>7881746</b>	<b>0</b>	<b>7881746</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</b>									
<b>(A)= (A)(1)+(A)(2)</b>	<b>7881826</b>	<b>0</b>	<b>7881826</b>	<b>73.06</b>	<b>7881746</b>	<b>0</b>	<b>7881746</b>	<b>73.06</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	1800	1800	0.02	0	0	0	0	(0.02)
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>1800</b>	<b>1800</b>	<b>0.02</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0.02)</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate	410759	8200	418959	3.88	436156	7200	443356	4.11	0.23
b) Individuals:									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1514230	165792	1680022	15.57	1539455	120392	1659847	15.39	(0.19)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	658088	0	658088	6.10	677096	0	677096	6.28	0.18

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2018)				No. of Shares held at the end of the year (31st March, 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)	0	0	0	0	0	0	0	0	0
i) Clearing Member	51375	0	51375	0.48	33818	0	33818	0.31	(0.16)
ii) Non Resident Indian	55740	40200	95940	0.89	12647	21000	33647	0.31	(0.58)
iii) IEPF	0	0	0	0.00	58500	0	58500	0.54	0.54
<b>SUB TOTAL (B)(2):</b>	<b>2690192</b>	<b>214192</b>	<b>2904384</b>	<b>26.92</b>	<b>2757672</b>	<b>148592</b>	<b>2906264</b>	<b>26.94</b>	<b>0.02</b>
<b>Total Public Shareholding</b>									
<b>(B)= (B)(1)+(B)(2)</b>	<b>2690192</b>	<b>215992</b>	<b>2906184</b>	<b>26.94</b>	<b>2757672</b>	<b>148592</b>	<b>2906264</b>	<b>26.94</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</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>Grand Total (A+B+C)</b>	<b>10572018</b>	<b>215992</b>	<b>10788010</b>	<b>100</b>	<b>10639418</b>	<b>148592</b>	<b>10788010</b>	<b>100</b>	<b>0</b>

## ii. Shareholding of Promoters (including the Promoter Group)

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	2235400	20.72	0	2235400	20.72	0	0
2.	R.L.Gupta (HUF)	1238250	11.48	0	1238250	11.48	0	0
3.	Raghunandanlal Gupta	888080	8.23	0	888080	8.23	0	0
4.	Akar Alloys Pvt. Ltd	858796	7.96	0	858796	7.96	0	0
5.	Shatrunji Investment Pvt. Ltd	392200	3.64	0	392200	3.64	0	0
6.	Lavanaya Finvest Pvt. Ltd.	320000	2.97	0	320000	2.97	0	0
7.	Aurangabad Forging Pvt. Ltd.	251200	2.33	0	251200	2.33	0	0
8.	Gupta Con-Cast Ltd.	200000	1.85	0	199920	1.85	0	0
9.	Narendrakumar Raghunandanlal Gupta	789700	7.31	0	789700	7.31	0	0
10.	Sushila Devi Gupta	36200	0.34	0	36200	0.34	0	0
11.	Nitin Narendrakumar Gupta	634400	5.88	0	634400	5.88	0	0
12.	Sant Eknath Rolling Mills Pvt. Ltd	28400	0.26	0	28400	0.26	0	0
13.	Kathiawad Investment Pvt. Ltd	9200	0.09	0	9200	0.09	0	
	<b>Total</b>	<b>7881826</b>	<b>73.06</b>	<b>0</b>	<b>7881746</b>	<b>73.06</b>	<b>0</b>	<b>0</b>

### iii. Change in Promoters' Shareholding (including the Promoter Group)

Sr. No.& Name of the Shareholder	Particulars	Shareholding at the beginning of the Year		Date of event	Increase / Decrease in Shares	Reason for change	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of total shares of the company
1. Gupta Con-Cast Ltd.	At the beginning of the year	200000	1.85					
	Changes during the year			13/07/18	-80	Transfer		
	At the end of the year						199920	1.85

### iv. Shareholding Pattern of top ten Shareholders

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

Sr. No & Name of the Shareholder	Particulars	Shareholding at the beginning of the year		Date of event	Increase / Decrease in Shares	Reason for change	Cumulative Shareholding during the year	
		No. of Share	% of total shares of the Company				No of shares	% of total shares of the company
1. KARVY STOCK BROKING LIMITED	At the beginning of the year	233381	2.16	01/04/18			2333381	2.16
	Changes during the year			06/04/18	-47	Transfer	233334	2.16
				13/04/18	-6120	Transfer	227214	2.11
				20/04/18	-4600	Transfer	222614	2.06
				27/04/18	-9056	Transfer	213558	1.98
				04/05/18	-725	Transfer	212833	1.97
				11/05/18	-200	Transfer	212633	1.97
				30/06/18	300	Transfer	212933	1.97
				06/07/18	-300	Transfer	212633	1.97
				13/07/18	-4728	Transfer	207905	1.93
				10/08/18	50	Transfer	207955	1.93
				17/08/18	-50	Transfer	207905	1.93
				14/09/18	200	Transfer	208105	1.93
				28/09/18	-2800	Transfer	205305	1.90
				05/10/18	-100	Transfer	205205	1.90
				30/11/18	200	Transfer	205405	1.90
				07/12/18	-200	Transfer	205205	1.90
				21/12/18	1443	Transfer	206648	1.92
				04/01/19	-1443	Transfer	205205	1.90
				25/01/19	50	Transfer	205255	1.90
	At the end of the year			31/03/19			205255	1.90
2. TANVI JIGNESH MEHTA	At the beginning of the year	120062	1.11	01/04/18			120062	1.11
	Changes during the year			08/06/18	8609	Transfer	128671	1.19
				15/06/18	10000	Transfer	138671	1.29
				06/07/18	531	Transfer	139202	1.29
				13/07/18	5000	Transfer	144202	1.34



Sr. No & Name of the Shareholder	Particulars	Shareholding at the beginning of the year		Date of event	Increase / Decrease in Shares	Reason for change	Cumulative Shareholding during the year	
		No. of Share	% of total shares of the Company				No of shares	% of total shares of the company
				27/07/18	7600	Transfer	151802	1.41
				03/08/18	6000	Transfer	157802	1.46
				17/08/18	725	Transfer	158527	1.47
				24/08/18	85	Transfer	158612	1.47
				21/09/18	737	Transfer	159349	1.48
				04/01/19	-1080	Transfer	158269	1.47
				01/03/19	-2000	Transfer	156269	1.45
	At the end of the year			31/03/19			156269	1.45
3. VARUN GUPTA	At the beginning of the year	88000	0.82	01/04/18			88000	0.82
	Changes during the year			29/06/18	4511	Transfer	92511	0.86
				06/07/18	2489	Transfer	95000	0.88
				27/07/18	9030	Transfer	104030	0.96
				03/08/18	1000	Transfer	105030	0.97
				10/08/18	470	Transfer	105500	0.98
				14/09/18	1500	Transfer	107000	0.99
				05/10/18	1000	Transfer	108000	1.00
				19/10/18	2000	Transfer	110000	1.02
	At the end of the year			31/03/19			110000	1.02
4. SANGEETHA S	At the beginning of the year	108680	1.01	01/04/18			108680	1.01
	Changes during the year							
	At the end of the year			31/03/19			108680	1.01
5. TRADELINK EXIM INDIA PVT. LTD.	At the beginning of the year	68400	0.63	01/04/18			68400	0.63
	Changes during the year			13/04/18	10074	Transfer	78474	0.73
				20/04/18	9406	Transfer	87880	0.81
				27/04/18	7095	Transfer	94975	0.88
				04/05/18	2513	Transfer	97488	0.90
				11/05/18	663	Transfer	98151	0.91
				18/05/18	849	Transfer	99000	0.92
				19/10/18	-3250	Transfer	95750	0.89
	At the end of the year			31/03/19			95750	0.89
6. MAHENDRA GIRDHARILAL	At the beginning of the year	89332	0.83	01/04/18			89332	0.83
	Changes during the year							
	At the end of the year			31/03/19			89332	0.83

Sr. No & Name of the Shareholder	Particulars	Shareholding at the beginning of the year		Date of event	Increase / Decrease in Shares	Reason for change	Cumulative Shareholding during the year	
		No. of Share	% of total shares of the Company				No of shares	% of total shares of the company
7. RAHUL NARESHBHAI SHAH	At the beginning of the year	57316	0.53	01/04/18			57316	0.53
	Changes during the year			18/01/19	-300	Transfer	57016	0.53
				25/01/19	-53	Transfer	56963	0.53
	At the end of the year			31/03/19			56963	0.53
8. ANANTROOP FINANCIAL ADVISORY SERVICES PVT. LTD.	At the beginning of the year	50000	0.46	01/04/18			50000	0.46
	Changes during the year							
	At the end of the year			31/03/19			50000	0.46
9. AAMARA CAPITAL PVT. LTD.	At the beginning of the year	0	0	01/04/18			0	0.00
	Changes during the year			24/08/18	29922	Transfer	29922	0.28
	At the end of the year			31/03/19			29922	0.28
10. PRAVIN M HEGDE	At the beginning of the year	28604	0.27	01/04/18			28604	0.27
	Changes during the year							
	At the end of the year			31/03/19			28604	0.27

#### v. Shareholding of Directors & KMP

Sr. No.	R.L. GUPTA Non- Executive Director	Shareholding at the end of the year		Cumulative Shareholding 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	888080	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)*	There is no change in Shareholding			
3.	At the end of the year			888080	8.23

Sr. No.	N. K. GUPTA Non-Executive Director	Shareholding at the end of the year		Cumulative Shareholding 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	789700	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)*	There is no change in Shareholding			
3.	At the end of the year			789700	1.75

Sr. No.	Sunil Todi Managing Director	Shareholding at the end of the year		Cumulative Shareholding 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	40	0.00		
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)*	There is no change in Shareholding			
3.	At the end of the year			40	0.00

## V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4950.89	750.00	0.00	5700.89
ii) Interest due but not paid	0.00	23.98	0.00	23.98
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>4950.89</b>	<b>773.98</b>	<b>0.00</b>	<b>5724.87</b>
<b>Changes in Indebtedness during the financial year</b>				
Addition	896.05	523.75	0.00	1419.80
Reduction	(485.39)	(30.75)	0.00	(516.14)
<b>Net Change</b>	<b>410.66</b>	<b>493.00</b>	<b>0.00</b>	<b>903.66</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5361.55	1243.00	0.00	6604.55
ii) Interest due but not paid	0.00	30.75	0.00	30.75
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>5361.55</b>	<b>1273.75</b>	<b>0.00</b>	<b>6635.30</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the Key Managerial Personnel				
		Sunil Todi Managing Director	P.M. Nijampurkar Whole-time Director	Sanjay Jhawar CFO*	Vinay Joshi CFO**	Mitesh Gadhiya Company Secretary
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	38.68	10.32	9.64	11.11	12.43
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	17.95	2.85	0.53	0.61	0.67
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>56.63</b>	<b>13.17</b>	<b>10.17</b>	<b>11.72</b>	<b>13.10</b>
	<b>Ceiling as per the Act: ₹ 168 Lakhs as per Section II of Part II of Schedule V of the Companies Act, 2013</b>					

#### Note:

\*Mr. Sanjay Jhawar resigned as Chief Financial Officer of the Company with effect from 6th July 2018.

\*\* Mr. Vinay Joshi has been appointed as Chief Financial Officer of the Company with effect from 12th November 2018.

### B. Remuneration to other directors:

(₹ in Lakhs)

Particulars of Remuneration	Name of the Directors				Total
	V. K. Chopra	S. N. Shukla	B. R. Galgali	Bhavna Saboo	
Independent Directors					
Fee for attending Board Meetings	1.50	1.20	1.20	0.90	4.80
Fees for attending Audit Committee Meetings	0.60	0.45	0.45	Nil	1.50
Fees for attending Nomination & Remuneration Committee Meetings	0.75	0.60	0.45	Nil	1.80
Fees for attending Annual General Meeting	0.15	0.15	0.15	0.15	0.60
Fees for attending Independent Directors Meeting	0.15	0.15	0.15	0.15	0.60
<b>Total (1)</b>	<b>3.15</b>	<b>2.55</b>	<b>2.40</b>	<b>1.20</b>	<b>9.30</b>

## VII. PENALTIES/PUNISHMENT/COMPPOUNDING 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)
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### A. COMPANY, DIRECTORS AND OTHER OFFICERS IN DEFAULT

Penalty	Nil				
Punishment					
Compounding					

During the year 2018-19, there were no penalties/punishment/compounding of offences under the Companies Act 2013.

Company had filed applications for compounding of offences in the financial year 2017-18 for violation of certain provisions of Companies Act, 1956/2013. The matter is in process. Order has not been passed in this matter as on the date of this report.

**For and on Behalf of Board**

Date: 13th August 2019

Place: Aurangabad

**Sd/-**

**R.L.Gupta**

(Chairman)

DIN:00061861

# ANNEXURE - V

## CORPORATE GOVERNANCE REPORT

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

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

### I. PHILOSOPHY ON CODE OF GOVERNANCE

Akar Auto Industries Limited (hereinafter referred to as 'Akar' or 'Company'), believes that Corporate Governance is an essential element of business, which helps the Company to fulfill its responsibilities to all its stakeholders. Akar is committed to adopting global best practices in Governance and Disclosure. Akar believes that highest standards of Corporate Governance are essential to enhance long term value of the Company for its stakeholders and practice the same at all levels of the organization. Ethical business conduct, integrity and commitment to values, which enhance and retain stakeholders' trust are the traits of your Company's Corporate Governance. Good Governance practices stem from the culture and mindset of the organization. Your Company considers fair and transparent Corporate Governance as one of its core management tenets. Your Company follows the best governance practices with highest integrity, transparency and accountability.

### II. BOARD OF DIRECTORS'

#### Composition of Board:

As on 31st March 2019, the Board of your company consists of Eight directors comprising of Two Executive Directors, Two Non-Executive Non-Independent Directors and Four Non-Executive Independent Directors (including one Women Director) of which, Mr. R L Gupta, Chairman is Non-Executive Promoter Director of the Company. The composition of the Board as on 31st March 2019 is in conformity with Listing Regulations 2015 having specified combination of Executive and Non-Executive Directors.

#### Classification of Board

Category	No. Of Directors	% of Total No. Of Directors
Executive Directors	2	25%
Non-Executive Independent Directors (including Woman Director)	4	50%
Other Non-Executive Directors	2	25%
<b>Total</b>	<b>8</b>	<b>100%</b>

#### Non-Executive Directors' Compensation and Disclosures:

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

#### Number of Board Meetings:

During the Financial year 2018-19, the Board of Directors met 5 times on- 13th April, 2018, 30th May 2018, 14th August 2018, 31st October 2018 and 12th February 2019.

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

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

### **Directors Attendance Record and Their Other Directorships / Committee Memberships:**

As required under the Listing Regulations, none of the Director is a member of more than Ten Board level Committees or Chairman of more than Five Committees across companies in which he/she is a Director. Relevant details of the Board as on 31st March 2019 are given below:

Name of Director	Category	Attendance of No. of meetings held during the year		Attendance of last AGM	No. of other Directorship/Committee Membership / Chairmanship held in Board Committees*		
		Meetings held During their Office of Directorship	Attended		No. of Other Directorship	Committee Membership	Chairmanship held in Board Committees
Mr. R L Gupta	Chairman, PD, NED	5	1	NO	2	-	-
Mr. N K Gupta	PD, NED	5	5	NO	2	2	-
Mr. Sunil Todi	MD, ED	5	5	YES	1	2	-
Mr. P.M. Nijampurkar	ED	5	1	YES	1	1	-
Mr. V K Chopra	ID	5	5	YES	1	2	1
Mr. S N Shukla	ID	5	4	YES	-	2	1
Mr. B R Galgali	ID	5	4	YES	-	2	-
Mrs. Bhavna Saboo	ID	3	3	YES	-	1	1

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

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

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

### **Other Listed Entities where the Directors of the Company holds Directorship:**

The Directors of the Company do not hold directorship in any other listed entity.

### **Details of Familiarisation Programmes imparted to Independent Directors:**

The details of the familiarisation programmes imparted to Independent Directors is available on the website of the Company 'www.akartoolsLtd.com' under the head 'Board of Directors' under 'Familiarization Programme'.

### **Opinion of the Board for Independent Directors:**

The Board hereby confirms that, in its opinion, the independent directors on the Board fulfil the conditions specified in the SEBI Listing Regulations and Companies Act, 2013 and are independent of the management.

## Directors Shareholding

The details of the shares held by the Directors of the Company as on 31st March 2019 are as follows:

Name of Director	Category	No. of shares held	% of the shares held
Mr. R L Gupta	Chairman PD, NED	8,88,080	8.23%
Mr. N K Gupta	PD, NED	7,89,700	7.32%
Mr. Sunil Todi	MD, ED	40	0.00%
Mr. P M Nijampurkar	ED	0	0.00%
Mr. V K Chopra	ID	0	0.00%
Mr. S N Shukla	ID	0	0.00%
Mr. B R Galgali	ID	0	0.00%
Mrs. Bhavna Saboo	ID	0	0.00%
<b>Total</b>		<b>16,77,820</b>	<b>15.55%</b>

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

## Separate Meeting of the Independent Directors:

All Independent Directors of the Company met separately on 18th March 2019 without the presence of Non-Independent Directors and Members of Management. In accordance with Schedule IV of Companies Act, 2013, following matters were, inter-alia, reviewed and discussed in the meeting:

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

## Code of Conduct

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

## Board Evaluation

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



**Core Skill/Expertise/Competencies, identified by the Board of Directors:**

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

Chart/Matrix of such core skills/expertise/competencies is as follows:

Sr. No.	Core Skills/Expertise/Competencies
1	Management and Strategy
2	Global Business Leadership
3	Operations and Engineering
4	Commercial, Purchase and Supply Chain
5	Manufacturing, Auto components and Hand Tools Engineering and Project Management
6	Information Technology, Systems and Computers
7	Human Resources and Industrial Relations
8	Sales, Marketing and International Business
9	Research and Development
10	Infrastructure and Real Estate
11	Finance and Taxation
12	Banking, Investment and Treasury and Forex Management
13	Insurance, Mutual Fund and Financial Services
14	Audit and Risk Management
15	Law
16	Corporate Governance and Ethics
17	Economics and Statistics
18	Regulatory, Government and Security matters
19	Academics, Education, Authorship
20	CSR and Sustainability matters

**III. COMMITTEES OF THE BOARD**

The Company has three Board level Committees:

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

**A. AUDIT COMMITTEE****Terms of Reference:**

The terms of reference of Audit Committee includes the following:

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

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

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

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

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

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

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

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

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

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

Reviewing, with the management, the statement of uses/ application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, the report submitted by the monitoring agency, and making appropriate recommendations to the Board to take up steps in this matter.

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

The Audit Committee shall mandatorily review the following information:

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

### **Composition of Audit Committee:**

As on 31st March 2019, the Audit Committee comprises of the following four Directors. The composition of the Committee is in conformity with the Listing Regulations:

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

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

### **Meetings and Attendance:**

During the Financial 2018-19, the Audit Committee met 4 times on- 30th May 2018, 14th August 2018, 31st October 2018 and 12th February 2019. The requisite quorum was present during all the meetings of the Audit Committee. The time gap between any two meetings of Audit Committee was less than 120 days.

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

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

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

Chief Financial Officer of the Company assists the Committee on financial concerns of the Company. The Chairman of the Committee briefs the Board members about the significant discussions at Audit Committee Meetings. All the members of the Audit Committee have accounting and financial management expertise. Chairman of the Audit Committee, Mr. V K Chopra was present at the Twenty-Ninth Annual General Meeting, held on 28th Sep, 2018, to answer the shareholders' queries.

## B. NOMINATION AND REMUNERATION COMMITTEE

### Terms of Reference:

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

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

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

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

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

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

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

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

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

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

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

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

### Composition of Nomination and Remuneration Committee:

As on 31st March 2019, the Nomination and Remuneration Committee comprises of the following four Directors:

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

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

### Meetings and Attendance:

During the Financial 2018-19, the Nomination and Remuneration Committee met 5 times on- 13th April 2018, 30th May 2018, 14th August 2018, 31st October 2018 and 12th February 2019. The requisite quorum was present during all the meetings of the Nomination and Remuneration Committee.

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

Name of Member	Category*	Status	No. Of Meetings held during the year	No. Of Meetings attended during the year
Mr. S N Shukla	ID	Chairman	5	4
Mr. V K Chopra	ID	Member	5	5
Mr. B R Galgali	ID	Member	5	3
Mr. N K Gupta	PD, NED	Member	5	5

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

The roles and responsibilities of the Committee are in accordance with the requirements as specified in the Listing Regulations, Companies Act, 2013. The same can be viewed at the website of the Company [www.akartoolsLtd.com](http://www.akartoolsLtd.com) under the tab 'Policies'.

Chairman of the Nomination and Remuneration Committee, Mr. S N Shukla was present at the Twenty-Ninth Annual General Meeting, held on 28th Sep, 2018.

### Criteria for Performance Evaluation for Independent Directors:

The criteria for performance evaluation for Independent Directors is uploaded on the website of the Company '[www.akartoolsLtd.com](http://www.akartoolsLtd.com)' under the head 'Policies' under 'Nomination and Remuneration Policy'.

## C. STAKEHOLDERS RELATIONSHIP COMMITTEE

### Composition of Stakeholders Relationship Committee:

As on 31st March 2019, the Stakeholders Relationship Committee comprises of the following four Directors:

1. Mrs. Bhavna Saboo, Independent Director (Chairperson)
2. Mr. N K Gupta, Non-Executive Director
3. Mr. Sunil Todi, Managing Director
4. Mr. P M Nijampurkar, Executive Director

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

### Meetings and Attendance:

During the Financial 2018-19, the Stakeholders Relationship Committee met 4 times on- 30th May 2018, 14th August 2018, 31st October, 2018 and 12th February 2019. The requisite quorum was present during all the meetings of the Stakeholders Relationship Committee.

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

Name of Member	Category*	Status	No. of Meetings held during the year	No. of Meetings attended during the year
Mr. N K Gupta	PD, NED	Chairman (upto 11th Feb 2019)	4	4
Mrs. Bhavna Saboo	ID	Chairperson (from 12th Feb onwards)	4	1
Mr. Sunil Todi	MD, ED	Member	4	4
Mr. P M Nijampurkar	ED	Member	4	1

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

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

The Committee performs the following functions:

1. Transfer/ transmission of shares.
2. Split up/ sub-division and consolidation of shares.
3. Dematerialization/ rematerialization of shares.
4. Issue of new and duplicate share certificates.
5. Registration of Power of Attorneys, Probate, Letters of transmission or similar other documents.
6. To open/ close bank account(s) of the Company for depositing share/ debenture applications, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.
7. To look into redressal of shareholders' and investors' complaints like transfer of shares, non- receipt of annual report, non- receipt of declared dividends, etc.
8. Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.

#### **Investor Grievance Redressal:**

During the financial year 2018-19, one complaint was received and replied to the satisfaction of the shareholder. There were no complaints outstanding as on 31st March, 2019. There were no share transfer requests pending as on 31st March, 2019.

#### **IV. GENERAL BODY MEETINGS**

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

Year	Date	Venue	Time	Whether any Special resolution passed in the AGM
2017-18	28/09/2018	Y.Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai	11.30 A.M	Yes
2016-17	22/09/2017	Y.Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai	11.00 A.M	Yes
2015-16	30/09/2016	Y.Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai	11.00 A.M	Yes

- The following special resolutions were taken up in the last AGM dated 28th Sept 2018 and were passed with requisite majority:
  - a) Re-appointment of Mr. Pradeep Nijampurkar as whole-time Director.
  - b) Revision in remuneration of Mr. Sunil Todi, Managing Director.
  - c) Approval for issue of Redeemable Non-Convertible Debentures.
- For passing the above mentioned special resolutions, e-voting facility was provided to the members.
- The Company conducted following businesses through Postal Ballot during year 2018-19:
  - a) Approval for the Continuation of Directorship of Mr. Raghunandanlal Gupta as Non-Executive Non-Independent Director.
  - b) Approval for Continuation of Current Term of Mr. Vijay Kumar Chopra as Non-Executive Independent Director.

Mr. Nitin S. Sharma, Proprietor of M/s. Nitin S. Sharma & Associates, Practising Company Secretary was appointed to act as the Scrutiniser for conducting voting process in a fair and transparent manner.

The Result of the Postal Ballot was announced on March 30, 2019 and details of voting result on the resolutions are as follows:

Sr. No	Description	Votes (No. of shares and %)	
		In favour	Against
1	Approval for the Continuation of Directorship of Mr. Raghunandanlal Gupta as Non-Executive Non-Independent Director.	5827719 (99.94%)	2648 (0.05%)
2	Approval for Continuation of Current Term of Mr. Vijay Kumar Chopra as Non-Executive Independent Director.	5827719 (99.94%)	2648 (0.05%)

#### **Procedure for postal ballot:**

The Company had sent the postal ballot notice dated 12th February 2019 and postal ballot form along with postage pre-paid business reply envelope to members/beneficial owners through email at their registered email IDs and through physical copy to the members who have not registered their email IDs. The Company had also published notice in the newspapers for the information of the members. Voting rights were reckoned on the equity shares held by the members as on the cut-off date. The voting period for postal ballot and E-voting was from 28th February, 2019 to 29th March, 2019.

The postal ballot results were intimated to the stock exchanges pursuant to regulation 44(3) of the SEBI Listing Regulations, as well as displayed on the Company's website 'www.akartoolsLtd.com'. The Company has also complied with the procedure for Postal Ballot in terms of the provisions of section 110 of the Companies Act, 2013, read with rule 22 of the Companies (Management and Administration) Rules, 2014.

There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing of a special resolution through postal ballot.

### **V. SUBSIDIARY COMPANIES**

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

### **VI. DISCLOSURES**

#### **Related Party Transactions:**

Summary of related party transactions were placed before audit committee for their review from time to time. No transactions were entered into with the related parties at a price other than arm's length price or other than in ordinary course of business. The related party disclosures as per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, are as mentioned in Note No. 33 of Notes to Accounts in the Annual Report and may be referred for further details.

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

#### **Accounting Treatment:**

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

#### **Risk Management:**

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

### Remuneration of Directors:

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

#### 1. Remuneration paid to Executive Directors for the Financial Year 2018-19

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the Key Managerial Personnel	
		Sunil Todi Managing Director	P. M. Nijampurkar Whole-time Director
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	38.68	10.32
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	17.95	2.85
	(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</b>	<b>56.63</b>	<b>13.17</b>

#### 2. Sitting Fees paid to Non-Executive Independent Directors during the Financial Year 2018-19

(₹ in Lakhs)

Particulars of Remuneration Independent Directors	Name of the Directors				Total
	V K Chopra	S N Shukla	B R Galgali	Bhavna Saboo	
Fee for attending Board Meetings	1.50	1.20	1.20	0.90	4.80
Fees for attending Audit Committee meetings	0.60	0.45	0.45	Nil	1.50
Fees for Nomination & Remuneration Committee meetings	0.75	0.60	0.45	Nil	1.80
Fees for attending Annual General Meeting	0.15	0.15	0.15	0.15	0.60
Fees for attending Independent Directors Meeting	0.15	0.15	0.15	0.15	0.60
<b>Total</b>	<b>3.15</b>	<b>2.55</b>	<b>2.40</b>	<b>1.20</b>	<b>9.30</b>

Apart from the payment of sitting fees to the Non-Executive Independent Directors, as mentioned above, no other remuneration was paid to the Non-Executive Directors during the period under review.

### Management Discussion and Analysis:

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

### Details of Non-Compliance by the Company:

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

### Code of Prevention of Insider Trading:

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

**Whistle Blower Policy / Vigil Mechanism:**

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

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

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

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

**i. The Board**

A non-executive Chairman heads the Board.

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

**ii. Shareholder rights**

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

**iii. Separate posts of Chairman and CEO**

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

**Prevention of Sexual Harassment Policy:**

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

**Statutory Auditors:**

M/s. Jaju and Kabra, Chartered Accountants, Aurangabad, are the statutory auditors of the Company. Total fees payable by the Company to the auditors for the financial year 2018-19 is ₹ 2.40 Lakhs (Excluding GST).

**Compliance Certificate on Corporate Governance:**

The Company has obtained the certificate from M/s. Nitn S. Sharma & Associates, Practicing Company Secretary, regarding compliance with the provisions relating to corporate governance as laid down in Part C of Schedule V to the SEBI Listing Regulations. This certificate is annexed to the Director's Report and marked as ANNEXURE VII.

**Transfer of unclaimed shares to IEPF:**

In accordance with the provisions contained in clause 5A of the erstwhile Listing Agreement (now corresponding to regulation 39(4) of the SEBI Listing Regulations) as amended by SEBI vide circular dated 16th December 2010, the Company had sent reminders to such shareholders whose shares were lying 'undelivered/unclaimed' with the Company.

After completing the necessary formalities, 58500 shares held by 375 shareholders were transferred to IEPF Account. Voting rights on such shares are to remain frozen till the rightful owner claims the shares.



## VII. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual financial results are communicated to the Bombay Stock Exchange at Mumbai immediately after these are considered and approved by the Board; and thereafter regularly published in the prominent newspapers in English and Marathi Language as required. Quarterly and annual financial statements and other information 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.

## VIII. GENERAL SHAREHOLDERS INFORMATION

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

Wednesday, 25th September 2019 at 11.30 am at Y. B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai – 400021.

### (ii) Financial year of the Company:

1st April to 31st March

### (iii) Book Closure Date:

14th September 2019 to 20th September 2019 (both days inclusive)

### (iv) Proposed Dividend and Dividend Payment Date:

The Board has proposed 11% dividend i.e. ₹ 0.55 per Equity Share. The Dividend, if approved by the Shareholders, shall be paid to the shareholders by 5th October, 2019.

### (v) Listing on Stock Exchanges:

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

GROUP INDEX: X

SCRIP ID: AAIL

SCRIP CODE: 530621

ISIN CODE: INE864E01021

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

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

Month	Open	High	Low	Close
April 2018	47.00	63.40	47.00	58.70
May 2018	57.55	58.90	48.00	51.65
June 2018	52.00	56.00	41.05	41.85
July 2018	46.00	48.55	33.00	40.75
August 2018	39.00	52.60	39.00	47.30
September 2018	48.70	52.25	42.40	42.85
October 2018	42.40	44.90	36.05	42.00
November 2018	46.00	51.40	45.00	47.75
December 2018	49.20	49.20	42.05	43.75
January 2019	43.65	47.50	38.05	40.65
February 2019	39.50	41.85	31.35	34.05
March 2019	38.00	45.00	32.05	38.60

**(vii) Performance of Company's stock during last financial year i.e. 1st April 18 to 31st March 19:**



**(viii) Registrar and Transfer Agents & Share Transfer System:**

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

**(ix) Share Transfer System**

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

**(x) Shareholding Pattern as on 31st March, 2019:**

Particulars	No. of Shares held at end of the year [As on 31-March-2019]			
	Demat	Physical	Total	% of Total Shares
<b>A. Promoters</b>				
<b>(1) Indian</b>				
a) Individual/ HUF	58,22,030	-	58,22,030	53.97%
B) Directors or Directors Relatives (other than in [a] above)	-		-	-
b) Body Corporate	20,59,716	-	20,59,716	19.09%
<b>Sub Total (A) (1)</b>	<b>78,81,746</b>	<b>-</b>	<b>78,81,746</b>	<b>73.06%</b>
<b>B. Public Shareholding</b>				
a) Indian Bodies Corp.	4,36,156	7,200	4,43,356	4.11%
b) Resident Individuals	22,16,551	1,20,392	23,36,943	21.67%
c) Non Resident Indians	12,647	21,000	33,647	0.31%
d) Clearing Members	33,818	-	33,818	0.31%
e) IEPF	58,500	-	58,500	0.54%
<b>Total Public (B)</b>	<b>27,57,672</b>	<b>1,48,592</b>	<b>29,06,264</b>	<b>26.94%</b>
<b>Grand Total (A+B+C)</b>	<b>1,06,39,418</b>	<b>1,48,592</b>	<b>1,07,88,010</b>	<b>100.00%</b>

**(xi) Distribution of shareholding**

No. of Equity Shares held	No of Shares	% to equity	No of Share holders	% to holders
Up to 500	423524	3.93	2510	78.98
501 to 1000	262382	2.43	324	10.20
1001 to 2000	232593	2.16	149	4.69
2001 to 3000	121208	1.12	49	1.54
3001 to 4000	147435	1.37	40	1.26
4001 to 5000	89560	0.83	19	0.59
5001 to 10000	275269	2.55	40	1.26
10001 and above	9236039	85.61	47	1.48
<b>Total</b>	<b>10788010</b>	<b>100.00</b>	<b>3178</b>	<b>100.00</b>

**(xii) Dematerialization of Shares**

As of 31st March, 2019, 98.62% of Shares are held in Demat mode, following is the detail of share held in various modes.

No. of shares held in dematerialised form in CDSL:	17,07,869	15.83%
No. of shares held in dematerialised form in NSDL:	89,31,549	82.79%
No. of shares held in physical form:	1,48,592	1.38%
<b>Total No. of shares</b>	<b>1,07,88,010</b>	<b>100.00%</b>

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

**(xiii) Reconciliation of Share Capital Audit:**

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

**(xiv) Compliance with Secretarial Standards:**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company complies with the same, i.e. secretarial standards on meetings of the Board of Directors (SS-1) and secretarial standards on general meetings (SS-2).

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

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments during the financial year 2018-19.

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

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

**Corporate Office (for correspondence)**

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

**(xvii) Plant Location:**

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

**(xviii) SCORES (SEBI Complaints Redressal System):**

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

**(xix) Credit Ratings:**

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

**For and on Behalf of Board**

Date: 13th August 2019  
Place: Aurangabad

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

# ANNEXURE - VI

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The year 2018-19 started with promising economic outlook supported by benign inflation, favourable interest rates, close to normal rainfall forecast and strong global economic growth. In Q1, the Indian economy registered a robust growth of 8% which gave an indication of economic activities returning to near normal post the GST roll-out. However, the momentum gained at the start didn't last during the rest of the year and the economy faced major challenges leading to a slowdown in domestic consumption in the later part of the year. The pace of global economy also slowed down and couldn't provide required support to the Indian economy. The Government and the RBI undertook a few of measures to provide the necessary stimulus to the economy.

On India's external front, export growth remained weak while imports declined. The trade deficit narrowed in February 2019 to its lowest level in 17 months. Net FDI inflows were strong while foreign portfolio investors turned net buyers in the domestic capital market in Q4 FY 2018-19. India's foreign exchange reserves were at US\$ 412.9 billion on March 31, 2019.

### OPPORTUNITIES AND THREATS:

#### Opportunities:

FY 2019-20 is expected to have a healthy growth rate for commercial vehicles as per CRISIL study. The implementation of the BS VI emission norms with effect from April 2020, is expected to increase vehicle TCO (Total Cost of Ownership). Empirical evidence in the past suggests a pre-buy in the market before such regulatory changes. Your Company expects the same to take place driving growth in demand for auto components.

We have achieved growth of 62.77% in terms of profit, as compared to the previous financial year. This growth has been attributed to robust demand for auto components from domestic original equipment manufacturers (OEMs), particularly the two-wheeler and passenger-vehicle industries that together constitute about two-third of overall ancillary industry size. Additionally, stellar growth in commercial vehicles has further supported overall volume growth. As an established manufacturer for its customers in India and outside, the Company is ideally placed to take advantage for targeting lucrative international markets. Further, the Company also has the advantage of a strong in-house design and development facility and professionals.

#### Threats:

Crude prices continue to be volatile. With daily revision in prices, sharp increase in crude prices will lead to high domestic retail prices which could pose to be a threat to the growth in the overall industry. The vehicle scrappage policy, termed as a Voluntary Vehicle fleet Modernisation Programme (V-VMP), is currently undergoing additional rounds of discussion with stakeholders before implementation as law. The initial intent was to roll it out in FY2020-21, with a mandate to scrap commercial vehicles which have completed 20 years of service. Details on this are still awaited. This might have an adverse impact upon the auto industry.

### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The information in this regard is given in Note No. 34 of the Notes forming part of the financial statements.

### OUTLOOK:

Auto industry will witness several regulations in the year 2019-20. Implementation of second phase of safety regulations is a major one. Though BS-VI regulation is coming into effect from 1st April 2020, it will be applicable on registration of vehicles and not on production. This means, BS-IV spec vehicles can not be sold from 1st April 2020. A careful volume planning needs to be done in such a scenario. Further, all three major regulations will come into effective simultaneously in the financial year 2019-20. These regulations would lead to increase in prices may affect the demand.

On the economic growth for 2019-20, most of the credible national and international research agencies have revised down their growth forecast. Instead of any sharp recovery, the economy is expected to gather a gradual momentum from the current state. Concerns over a global economic slowdown are growing. On the positive side, however, easing of interest rate, public spending in rural areas and increase in disposable incomes of households due to tax benefits augur well for the economy.

### RISKS AND CONCERNS:

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

With rising inflationary pressures, increase in the price of steel and other inputs, weak global recovery, possibility of slow growth rate of Indian economy and uncertainties of overseas and external factors are the key concerns on the macro economic fronts which may have an impact on the Company operations in the coming years.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The revenue from operations of your Company during the year 2018-19 was ₹ 27,778.88 Lakhs as against

₹ 24,144.58 Lakhs during the year 2017-18. Your Company earned a net profit after tax of ₹ 521.11 Lakhs during the year 2018-19 as against ₹ 320.15 Lakhs during the year 2017-18. The net profit during the year 2018-19 increased by 62.77 percent as compared to the year 2017-18. This substantial rise in the net profit of the Company could be achieved because of the management focus on reduction in production cost and aggressive marketing strategy.

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATION:

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

### KEY FINANCIAL RATIOS, STANDALONE:

Particulars	FY 2018-2019	FY 2017-2018	Remarks
Debtors Turnover Ratio	7.40	7.12	--
Inventory Turnover Ratio	3.12	3.03	--
Interest coverage ratio	1.73	1.59	--
Current Ratio	1.19	1.08	--
Debt Equity Ratio	1.98	1.95	--
Operating Profit Margin	5.05%	5.54%	--
Net Profit Margin	1.83%	1.32%	38.87% increased due to increase in net profit by ₹ 1.89 crores
Return on Net Worth	15.72%	11.41%	37.82% increased due to increase in net profit by ₹ 1.89 crores

### CAUTIONARY STATEMENT:

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

**For and on Behalf of Board**

**Sd/-**

**R.L. Gupta**  
(Chairman)

DIN:00061861

Date: 13th August 2019

Place: Aurangabad

# ANNEXURE - VII

## CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

**AKAR AUTO INDUSTRIES LIMITED**

(Formerly known as Akar Tools Limited)

304, Abhay Steel House,

Baroda Street, Carnac Bunder,

Mumbai - 400009

We have examined all relevant records of **AKAR AUTO INDUSTRIES LIMITED** (CIN:L29220MH1989PLC052305) having its Registered Office at 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai – 400009 for the purpose of certifying compliance of the conditions of Corporate Governance mentioned under Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V to the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the financial year ended 31st March, 2019. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the financial year ended 31st March, 2019.

**For Nitin S. Sharma & Associates**

Company Secretaries

Sd/-

**Nitin S. Sharma**

Proprietor

Membership No. FCS8518

CP No. 9761

Aurangabad

13th August, 2019

## ANNEXURE - VIII

### CERTIFICATE BY CHIEF FINANCIAL OFFICER

I, Vinay Joshi, Chief Financial Officer of **Akar Auto Industries Limited** (formerly known as Akar Tools Limited) certify that:

- a) I have reviewed financial statements and the Cash Flow Statement for the year 2018-19 and that to the best of my knowledge and belief:
  - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
- d) I have indicated to the Auditors and the Audit Committee:
  - I. that there are no significant changes in internal control over financial reporting during the year;
  - II. that there are no significant changes in accounting policies during the year;
  - III. that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.
- e) I affirm that I have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any).
- f) I further declare that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the current year.

Sd/-

**Vinay Joshi**

Chief Financial Officer

Akar Auto Industries Limited

Aurangabad

13th August, 2019



# Independent Auditor's Report

To  
The Members of  
**AKAR AUTO INDUSTRIES LTD.**

## REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

### Opinion.

1. We have audited the accompanying standalone financial statements of Akar Auto Industries Limited, ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (Herein after referred to as the "Standalone Financial Statements").
2. 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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flow and changes in equity for the year ended on that date.

### Basis for opinion:

3. We conducted our audit of the Standalone Financial Statements in accordance with the standards on auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of these Standalone financial statements under the provisions of the Act and the Rule made there under, and we have fulfilled our other ethical responsibilities in accordance with

these requirements and the ICAI code of ethics. We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit matters:

4. Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the Standalone financial statement of the current period. These matters were addressed in the context of our audit of the Standalone financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report;

Foreign exchange fluctuation and export policies of India and other countries are considered to be Key Audit Matters. A significant portion of revenue is generated through export of products of the company. Any change in the duty structure, import and export policy has significant bearing on revenue realisation of the Company. Fluctuation in exchange rate of Indian currency has significant bearing on profitability.

### How our audit addressed the audit matter:

Our audit approach includes verification of balances outstanding (Debits and Credits); on account of foreign exchange; as at the end of the year and to assure that the same is adjusted to a value at the exchange rate that is prevailing at the close of last day of the current year.

### Information other than the Standalone Financial Statements and Auditor's Report:

5. The company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report including Annexures thereto. Business Responsibility Report, Corporate Governance and Share Holders' Information, but does not include the Standalone financial statements and our auditor's report there on.

6. Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### **Management's Responsibility for the standalone Financial Statements**

8. The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements, that gives a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding of the assets of the Company; and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
10. The Board of directors is also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements:**

11. Our objectives are to obtain reasonable assurance about whether the standalone financial statements

as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also;
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Obtain and understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under sec-143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on appropriateness of management's use of the going concern basis of accounting and base on the audit evidence obtained, whether a material uncertainty exists related to events or commissions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modified our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatement in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the standalone financial statements.
- Communication with those charged with the governance.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of financial statements of the current year and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determined

that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

#### **Report on Other Legal and Regulatory Requirements:**

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, and the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; except the confirmations from debtors and creditors.
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, The statement of Profit & Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Change in Equity dealt with by this report are in agreement with the books of accounts;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended); save and except to the extent as stated in note no. 24 regarding AS 15 for employees' benefits to the standalone financial statements.
  - e. on the basis of written representations received from the directors as on 31 March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and

- f. with respect to the adequacy of internal financial controls over financial reporting of the Company with reference to financial statements of the company and the operative effectiveness of such controls, refer to our separate report in "Annexure 2" of this report.
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31.03.2019 on its financial position in its standalone Ind AS financial statements- refer Note 33 to the standalone Ind AS financial statements;

- ii. The Company did not have any long-term contracts including derivatives contract for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Jaju & Kabra**  
Chartered Accountants  
(FRN 140398W)

Sd/-  
**(Rahul Jaju)**

Place: Aurangabad  
Dated: 29th May, 2019

Partner  
Membership No. 164021

# ANNEXURE I

## To the independent Auditor's Report of even date to the members of Akar Auto Industries Limited on IND AS Financial Statements for the year ended 31st March, 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts 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 business. According to the information and explanations given to us some portion of the fixed Assets of the company have been physically verified by the company's management during the year. We are informed that no material discrepancies were noticed on such verification. We have relied upon the management's representation for the same.
- (c) Based on our audit procedure performed for the purpose of reporting the true and fair view of the standalone 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.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year except material in transit and stocks lying with third parties and in bonded warehouses, if any, which are verified with reference to the certification obtained and/or subsequent clearing of goods.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) In our opinion and according to the information and explanations given to us, the Company has granted unsecured loan to companies, firms and other parties covered in the register maintained under Section 189 of the Act.
  - (a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest;
  - (b) the schedule of repayment of principal and payment of interest, where applicable, has been stipulated and the repayments or receipts are regular;
  - (c) No amount is overdue, and the company has taken necessary action for recovery of the principal and interest wherever 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.
- (vi) The maintenance of cost record has been specified by the Central Government under Section 148 (1) of the Act. We have broadly reviewed the 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) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund,

employees' state insurance, income tax, sales tax including Value Added Tax, wealth tax, service tax, Goods and Service Tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, to each of them respectively with the appropriate authorities. There were no arrears of undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date it became 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, GST on account of any dispute, the amount involved and the forum where disputes are as follows :-

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ in Lacs)
Income Tax Act 1961	Income Tax	Chief Commissioner of Income Tax	A.Y.1999-2000	0.44
			A.Y.2000-2001	5.35
			A.Y.2001-2002	10.72
			A.Y.2002-2003	3.26
			A.Y.2003-2004	13.65
			A.Y.2004-2005	4.16
	Income Tax	Assessing officer for rectification	A.Y.2005-2006	9.99
			A.Y.2006-2007	0.50
			A.Y.2007-2008	1.81
			A.Y.2008-2009	2.63
			A.Y.2011-2012	14.38
			A.Y.2012-2013	13.48
	Income Tax	TRIBUNAL	A.Y.2010-2011	2.00
	Income Tax	Commissioner of Income Tax (Appeals)	A.Y.2014-2015	83.00
	Income Tax	Commissioner of Income Tax (Appeals)	A.Y.2016-2017	15.12
	Income Tax (TCS)	Commissioner of Income Tax (Appeals)	A.Y. 2012-13 to A.Y. 2018-19	7.96*
	Income Tax (TDS)	Income Tax officer (TDS)	A.Y.2008-2009	0.00
			A.Y.2009-2010	0.01
			A.Y.2011-2012	0.26
			A.Y.2012-2013	0.01
			A.Y.2013-2014	0.82
			A.Y.2014-2015	0.15
			A.Y.2015-2016	0.01
			A.Y.2016-2017	0.00
			A.Y.2017-2018	0.00
			A.Y.2018-2019	1.78
			A.Y.2019-2020	3.10
Finance Act, 1994/ Central Goods & Service Tax Act, 2017	Service Tax	Commissioner of Appeals, Central Goods & Service Tax,(Formerly Central Excise, Customs and Service Tax)	Aug-2012 to June -2017	23.61

- (viii) According to the records of the company examined by us and information and explanations given to us, in our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or Government during the year. The company did not have any outstanding debentures during the year.
- (ix) In our opinion and according to the information and explanation given to us the company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, and according to the information and explanation given to us, the money raised by way of term loan by the company, have, prima-facie, been applied for the purposes for which the loans were obtained.
- (x) To the best our knowledge and according to the information and explanations given to us no fraud on or by the Company or by its Officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion and according to the information and explanations given to us, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company and accordingly, Clause 3 (xii) of the Companies (Auditor's report), Order, 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us during the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3 (xiv) of the Order is not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them therefore the provisions of Clause 3 (xv) of the Companies (Auditor's report), Order, 2016 is not applicable to the Company.
- (xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Jaju & Kabra**  
Chartered Accountants  
(FRN 140398W)

Sd/-

**(Rahul Jaju)**

Partner

Place: Aurangabad

Dated: 29th May, 2019

Membership No. 164021

## ANNEXURE "2"

### To the Independent Auditor's Report of even date on Financial Statements of Akar Auto Industries Limited

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

We have audited the internal financial controls over financial reporting of AKAR AUTO INDUSTRIES LIMITED ("the Company") as of March, 31st 2019 in conjunction with our audit of the standalone Ind AS 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 of the company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting, and the guidance note on internal financial controls over financial reporting (the guidance Note) issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were

established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the Standalone financial statements.



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls

over financial reporting were operating effectively as at March 31, 2019, 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 Jaju & Kabra**  
Chartered Accountants  
(FRN 140398W)

Sd/-  
**(Rahul Jaju)**

Place: Aurangabad  
Dated: 29th May, 2019

Partner  
Membership No. 164021

# Balance Sheet as at 31st March 2019

(₹ in lakh)

	Notes	31st March 2019	31st March 2018
<b>A ASSETS</b>			
<b>1 Non current assets</b>			
a. Property plant & equipment	5	3,876.78	3,722.59
b. Capital work in progress	5	410.60	116.10
c. Financial assets			
i) Investment	6	6.30	8.15
ii) Other financial assets	7	250.54	353.91
<b>Total non current assets</b>		<b>4,544.22</b>	<b>4,200.76</b>
<b>2 Current assets</b>			
a. Inventories	8	6,146.82	5,380.41
b. Financial assets			
i) Trade receivables	9	3,822.10	3,685.48
ii) Cash & cash equivalents	10	37.99	70.38
iii) Bank balances other than cash and cash equivalents	10	149.80	49.78
iv) Loans & advances	7	88.85	68.03
v) Other financial assets	7	381.97	432.96
c. Other current assets	11	101.51	162.20
<b>Total current assets</b>		<b>10,729.03</b>	<b>9,849.24</b>
<b>TOTAL ASSETS</b>		<b>15,273.25</b>	<b>14,049.99</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a. Equity share capital	12	539.40	539.40
b. Other equity	13	2,696.96	2,259.51
<b>Total equity</b>		<b>3,236.36</b>	<b>2,798.91</b>
<b>2 Liabilities</b>			
<b>Non current liabilities</b>			
a. Financial liabilities			
i) Borrowings	14	2,398.34	1,422.48
b. Provision	18	254.76	207.66
c. Deferred tax liability (net)	15	385.99	484.03
<b>Total non current liabilities</b>		<b>3,039.09</b>	<b>2,114.17</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i) Borrowings	14	4,001.19	4,039.87
ii) Trade payables	16	4,049.06	4,029.75
iii) Other financial liabilities	17	272.78	315.46
b. Short term provision	18	15.98	16.48
c. Current Tax liabilities	29	154.68	123.78
d. Other current liabilities	19	504.11	611.57
<b>Total current liabilities</b>		<b>8,997.80</b>	<b>9,136.91</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>15,273.25</b>	<b>14,049.99</b>
See accompanying notes to the financial statement			

As per our report of even date

## For Jaju & Kabra

Chartered Accountants  
(FRN 140398W)

Sd/-

**Rahul Jaju**

Partner

Membership No. 164021

Place: Aurangabad

Date: 29th May 2019

For and on behalf of the board of directors of

Sd/-

**R.L. Gupta**

Chairman

DIN:00061861

Sd/-

**Vinay Joshi**

Chief Financial Officer

Sd/-

**Sunil Todi**

Managing Director

DIN:00061952

Sd/-

**Mitesh Gadhiya**

Company Secretary

Sd/-

**N.K. Gupta**

Director

DIN:00062268

Place: Aurangabad

Date: 29th May 2019

## Statement of Profit & Loss for the year ended 31st March 2019

(₹ in lakh)

	Notes	31st March 2019	31st March 2018
<b>INCOME</b>			
Revenue from operations	20	27,778.88	24,687.52
Other income	21	22.04	12.63
<b>Total Income (I)</b>		<b>27,800.92</b>	<b>24,700.15</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	18,940.07	16,146.09
Changes in inventories of finished goods, stock in trade and work-in-progress	23	(955.74)	(662.10)
Excise duty		-	478.79
Employee benefits expense	24	2,593.14	2,170.00
Finance costs	25	810.86	844.94
Depreciation and amortisation expense	26	407.45	370.46
Other expenses	27	5,351.57	4,710.71
<b>Total expense (II)</b>		<b>27,147.36</b>	<b>24,058.89</b>
<b>Profit before exceptional items and tax (I-II)</b>		<b>653.56</b>	<b>641.26</b>
Exceptional items	28	(62.88)	(144.58)
<b>Profit before tax</b>		<b>590.67</b>	<b>496.68</b>
<b>Tax expense</b>			
(1) Current tax expense	29	166.72	133.87
(2) Short/ (Excess) tax Provision for Earlier Years	29	0.88	-
(3) Deferred tax	29	(98.04)	42.67
<b>Total tax expense</b>		<b>69.56</b>	<b>176.54</b>
<b>Profit for the year (A)</b>		<b>521.11</b>	<b>320.14</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items to be reclassified to profit or loss :			
a) Remeasurements of the defined benefit plans (net of tax)		(12.75)	(1.04)
Items not to be reclassified to profit or loss :			
b) Equity instruments through other comprehensive income(net of tax)		0.49	0.22
<b>Total other comprehensive income for the year (B)</b>		<b>(12.26)</b>	<b>(0.82)</b>
<b>Total Income for the year (A+B)</b>		<b>508.86</b>	<b>319.32</b>
Earnings per share (of ₹ 5 each)			
(1) Basic (in ₹)	30	4.83	2.97
(2) Diluted (in ₹)	30	4.83	2.97
See accompanying notes to the financial statements			

As per our report of even date

**For Jaju & Kabra**

Chartered Accountants  
(FRN 140398W)

Sd/-

**Rahul Jaju**

Partner

Membership No. 164021

Place: Aurangabad

Date: 29th May 2019

**For and on behalf of the board of directors of**

Sd/-

**R.L. Gupta**

Chairman

DIN:00061861

Sd/-

**Vinay Joshi**

Chief Financial Officer

Place: Aurangabad

Date: 29th May 2019

Sd/-

**Sunil Todi**

Managing Director

DIN:00061952

Sd/-

**Mitesh Gadhiya**

Company Secretary

Sd/-

**N.K. Gupta**

Director

DIN:00062268

## Cash Flow Statement for the year ended 31st March 2019

(₹ in lakh)

	31st March 2019	31st March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit for period	521.11	320.14
Adjustments for:		
Income Tax expense	69.56	176.54
Finance cost	810.86	844.94
Depreciation and amortisation expenses	407.45	370.46
Interest income	(22.04)	(12.63)
Loss/(Profit) on sale of Fixed Assets (net)	(0.12)	-
Unrealised Forex exchange (gain) / loss	-	(11.11)
<b>Operating profit before changes in working capital</b>	<b>1,786.82</b>	<b>1,688.34</b>
<b>Adjustments for changes in working capital :</b>		
Movement in trade receivables	(136.62)	(557.29)
Movement in inventories	(766.41)	(546.25)
Movement in other financial assets	30.17	(206.14)
Movement In other assets	60.69	(59.00)
Movement in trade payables	19.31	516.92
Movement in other financial liabilities	(42.68)	(88.22)
Movement in other liabilities	(79.02)	214.71
<b>Cash generated from operations</b>	<b>(914.56)</b>	<b>(725.27)</b>
Direct Taxes Paid	(128.83)	(95.87)
<b>Net cash generated from operating activities (A)</b>	<b>743.43</b>	<b>867.20</b>
<b>B. Cash flow from investing activities:</b>		
Interest received	22.04	12.63
Proceeds from sale of PPE	2.90	-
Payment for purchase for PPE	(859.03)	(459.19)
<b>Net cash used in investing activities (B)</b>	<b>(834.09)</b>	<b>(446.56)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds/repayment of long term borrowings	975.87	79.61
Proceeds from working capital finance	(38.68)	491.68
Finance cost paid	(810.86)	(844.94)
Dividend paid (including dividend distribution tax)	(71.41)	(76.85)
<b>Net cash generated in financing activities (C)</b>	<b>54.92</b>	<b>350.50</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(35.74)</b>	<b>70.14</b>

## Cash Flow Statement for the year ended 31st March 2019

(₹ in lakh)

	31st March 2019	31st March 2018
<b>Cash and cash equivalents at the beginning of the year</b>		
Cash in hand	7.37	8.54
Balance with bank in current account & deposit account	210.26	140.32
Balance with bank on unpaid dividend account	6.44	5.07
<b>Cash and cash equivalents at the beginning of the year (refer note 10 )</b>	<b>224.07</b>	<b>153.93</b>
<b>Cash and cash equivalents at the end of the year</b>		
Cash in hand	7.31	7.37
Balance with bank in current account & deposit account	174.63	210.26
Balance with bank on unpaid dividend account	6.39	6.44
<b>Cash and cash equivalents at the end of the year (refer note 10)</b>	<b>188.33</b>	<b>224.07</b>
	<b>(35.74)</b>	<b>70.14</b>
See accompanying notes to the financial statements		

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) - "Statement of Cash Flows"

As per our report of even date

**For Jaju & Kabra**

Chartered Accountants  
(FRN 140398W)

Sd/-

**Rahul Jaju**

Partner

Membership No. 164021

Place: Aurangabad

Date: 29th May 2019

**For and on behalf of the board of directors of**

Sd/-

**R.L. Gupta**

Chairman

DIN:00061861

Sd/-

**Vinay Joshi**

Chief Financial Officer

Place: Aurangabad

Date: 29th May 2019

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**Sunil Todi**

Managing Director

DIN:00061952

Sd/-

**Mitesh Gadhiya**

Company Secretary

Sd/-

**N.K. Gupta**

Director

DIN:00062268

# Statement of Changes In Equity for the year ended 31st March 2019

(₹ in lakh)

Particulars	Equity share capital	Other Equity				Total other equity	Total equity
		Reserves & Surplus			Other Comprehensive Income		
		Securities premium Reserve	Retained earnings	General reserve	Equity instrument through OCI		
<b>As at 1 April, 2017</b>	<b>539.40</b>	<b>351.00</b>	<b>1,338.62</b>	<b>321.97</b>	<b>0.13</b>	<b>2,011.71</b>	<b>2,551.11</b>
Profit for the year	-	-	320.14	-	-	320.14	320.14
Amount transferred from statement of profit & loss	-	-	(15.00)	-	-	(15.00)	(15.00)
Other Comprehensive Income	-	-	(1.04)	-	0.22	(0.82)	(0.82)
<b>Total Comprehensive Income</b>	<b>539.40</b>	<b>351.00</b>	<b>1,642.72</b>	<b>321.97</b>	<b>0.35</b>	<b>2,316.04</b>	<b>2,855.44</b>
Payment of dividends	-	-	(59.33)	-	-	(59.33)	(59.33)
Payment of dividend distribution tax	-	-	(12.20)	-	-	(12.20)	(12.20)
Amount transfer from retained earning to general reserve	-	-	-	15.00	-	15.00	15.00
<b>At 31 March, 2018</b>	<b>539.40</b>	<b>351.00</b>	<b>1,571.19</b>	<b>336.97</b>	<b>0.35</b>	<b>2,259.51</b>	<b>2,798.91</b>
Profit for the year	-	-	521.11	-	-	521.11	521.11
Provision adjustment for earlier years	-	-	-	-	-	-	-
Amt transferred from statement of profit & loss	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	(12.75)	-	0.49	-12.26	-12.26
<b>Total Comprehensive Income</b>	<b>539.40</b>	<b>351.00</b>	<b>2,079.55</b>	<b>336.97</b>	<b>0.84</b>	<b>2,768.36</b>	<b>3,307.76</b>
Payment of dividends	-	-	(59.33)	-	-	(59.33)	(59.33)
Payment of dividend distribution tax	-	-	(12.08)	-	-	(12.08)	(12.08)
Amount transfer from retained earning to general reserve	-	-	-	-	-	-	-
<b>At 31 March, 2019</b>	<b>539.40</b>	<b>351.00</b>	<b>2,008.14</b>	<b>336.97</b>	<b>0.84</b>	<b>2,696.95</b>	<b>3,236.35</b>
See accompanying notes to the financial statements							

As per our report of even date

**For Jaju & Kabra**

Chartered Accountants  
(FRN 140398W)

Sd/-

**Rahul Jaju**

Partner

Membership No. 164021

Place: Aurangabad

Date: 29th May 2019

**For and on behalf of the board of directors of**

Sd/-

**R.L. Gupta**

Chairman

DIN:00061861

Sd/-

**Vinay Joshi**

Chief Financial Officer

Place: Aurangabad

Date: 29th May 2019

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Managing Director

DIN:00061952

Sd/-

**Mitesh Gadhiya**

Company Secretary

Sd/-

**N.K. Gupta**

Director

DIN:00062268

## Notes to financial statements for the year ended 31st March 2019

### 1. CORPORATE INFORMATION

Akar Auto Industries limited (formerly known as Akar Tools Limited) is listed in India on Bombay stock exchange (BSE). Company name got change from Akar tools limited to Akar Auto Industries Limited with effect from 23rd Oct 2017. The company is in the business of manufacturing hand tools, auto leaf spring, parabolic springs & commercial automotive forging & has its manufacturing facilities in Aurangabad (Maharashtra). The registered office of company is situated at 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai-400009, Maharashtra, India.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

#### 2.1 Statement of compliance

For all periods upto & including the year ended March 2017, the company prepared its financial statements in accordance with accounting standards notified under the section 133 of the companies Act 2013 read together with paragraph 7 of the companies (Accounts) Rules 2014 (Indian GAAP). These are the Company's first IND AS financial statements. The date of transition to IND AS is 1st April, 2016. Refer note 4 for the details of first time adoption exemptions availed by the Company.

#### 2.2 Basis of preparation and measurement

The financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) under the historical cost convention on the accrual basis except for the following-

- (i) Certain financial assets and liabilities that are measured at fair value
- (ii) Defined benefit plans – planned assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimate using another valuation technique. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

#### 2.3 Foreign currency transaction & translation

The functional currency of Akar auto industries Limited is Indian rupee.

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognized in the statement of Profit and Loss.

The company also uses foreign exchange forward contracts to hedge its exposure to movements in foreign currency exchange rate. Exchange difference on such contracts is recognized in statement of profit & loss in reporting period in which exchange rate change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or expense in the period in which same is cancelled or rolled over.

#### 2.4 Property Plant and equipment (PPE)

Property plant and equipment (PPE) are recognized at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition. PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

## Notes to financial statements for the year ended 31st March 2019

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight-line method ("SLM"). Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement anticipated technological changes, manufacturers warranties and maintenance support, etc.)

Type/ Category of Asset	Useful live
Buildings including factory buildings	30 years
Carpet road RCC	10 years
General Plant and Machinery	15 years
Electrical Installations and Equipment	15 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Vehicles	8 years
Computer and Data Processing Units	3 years
Containers	3 years

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in profit or loss. Fully depreciated assets still in use are retained in financial statements.

### 2.5 Capital work-in-progress and intangible assets under development

Capital work –in-progress/ intangible assets under development are carried at cost, comprising direct cost, related incidental expensed and attributable borrowing cost. Other expenditure incurred during the construction period which are not related to the construction activity nor are incidental thereto, are charged to statement of profit & loss.

### 2.6 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



## Notes to financial statements for the year ended 31st March 2019

### 2.7 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. IND AS 109 requires certain categories of financial assets and liabilities to be measured at amortized cost using effective interest rate method. In accordance with IND AS 109 "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipt through the expected life of financial asset or financial liability to the gross carrying amount of financial asset or to amortized cost of financial liability.

#### Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

#### Financial assets at fair value through profit or loss (FVTPL)

Financial assets are subsequently measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

#### Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method.

#### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognized by the Company are measured at the proceeds received net off direct issue cost.

### 2.8 Derivative financial instruments

The Company enters into certain derivative contracts with an intention to hedge assets & liabilities, firm commitment and highly probable transactions. Such contracts are accounted as per the policy stated in foreign currency transaction & translations.

### 2.9 Impairment

#### Financial assets (other than at fair value)

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

#### PPE and intangibles assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an

## Notes to financial statements for the year ended 31st March 2019

individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss.

### 2.10 Inventories

Inventories are valued at lower of cost (on monthly average basis) and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies transit insurance and receiving charges. Work –in-progress and finished goods include appropriate proportion of overheads. Stores & spares are valued at cost after considering cost of obsolescence and estimated useful life. Scrap is valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### 2.11.1 Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- The amount of revenue can be measured reliably;

It is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 2.11.2 Rendering of services

Income recognition for services takes place as and when the services are performed.

#### 2.11.3 Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the asset's net carrying amount on initial recognition.

#### 2.11.4 Dividend

Dividend income if any from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

#### 2.11.5 Insurance Claims

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

### 2.12 Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

## Notes to financial statements for the year ended 31st March 2019

### **Finance Lease:**

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance sheet as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

### **2.13 Employee benefit expenses**

Employee benefits consist of contribution to provident fund, gratuity fund, and compensated absences.

#### **2.13.1 Post-employment benefit plans**

##### **Defined Contribution plans**

Employee benefit in form of contribution to provident fund managed by government authorities, Employee state Insurance Corporation and labor welfare fund are considered as defined contribution plans and are charge to statement of profit or loss statement for the year in which employee renders the related services.

##### **Defined benefit plans**

The Company's gratuity fund scheme is considered as defined benefit plan. The company's liability is determined on basis of actuarial valuation using projected unit credit method as at the balance sheet date. The liability or asset recognized in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability. The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognized in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income they are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **2.13.2 Short term employee benefit**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment of encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

### **2.14 Borrowing cost**

#### **Borrowing costs**

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalized until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All the other borrowing costs are recognized in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

## Notes to financial statements for the year ended 31st March 2019

### 2.15 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

#### Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

#### Deferred tax

Deferred income tax is recognized using the Balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognized only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### 2.16 Accounting of provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. The company does not recognize a contingent liability but disclose its existence in financial statements.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is highly probable.

### 3.1 Dividend to equity shareholders

Dividend to equity shareholders is recognized as a liability and deducted from shareholders equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

## Notes to financial statements for the year ended 31st March 2019

### 3.2 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

### 3.3 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of company financial performance.

### 3.4 Current and Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A Liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities and advance against current tax are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 3.5 Cash flow statement

Cash flow are reported using indirect method, where by profit before tax is adjusted for the effects transaction of non-cash nature and any deferrals or accruals of past or future cash receipt or payments.

## 4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimated under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

## Notes to financial statements for the year ended 31st March 2019

### **Critical Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

### **Discount rate used to determine the carrying amount of the Company's defined benefit obligation**

In determining the appropriate discount rate for plans operated in India, the management considers the interest rate of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

### **Contingences and commitments**

In the normal course of business, contingent liabilities may arise from litigations and other claims against the company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### **Useful lives of property, plant and equipment**

As described in Note 2, the company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

### **Allowances for doubtful debts**

The company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

### **Allowances for inventories**

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

### **Liability for sales return**

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the company has transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

# Notes to financial statements for the year ended 31st March 2019

## 5 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Cost or deemed cost	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Finance lease Vehicle	Office equipments	Computer	Containers	Total
Balance at 1st April, 2018	155.65	6.95	1,359.51	5,034.28	44.63	242.52	128.18	113.65	34.03	7,119.40
Additions	-	-	23.17	539.52	3.10	-	19.91	9.68	-	595.38
Disposals	-	-	-	-	0.05	-	-	-	-	0.05
Balance at 31st March, 2018	155.65	6.95	1,382.68	5,573.78	47.68	242.52	148.09	123.33	34.03	7,714.73
Additions	-	-	29.37	442.58	6.86	30.94	7.76	46.92	-	564.43
Disposals	-	-	-	7.15	-	-	-	-	-	7.15
<b>Balance at 31st March, 2019</b>	<b>155.65</b>	<b>6.95</b>	<b>1,412.05</b>	<b>6,009.21</b>	<b>54.54</b>	<b>273.46</b>	<b>155.85</b>	<b>170.25</b>	<b>34.03</b>	<b>8,272.01</b>

(₹ in Lakhs)

Accumulated depreciation	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Finance lease Vehicle	Office equipments	Computer	Containers	Total
Balance at 1st April, 2018	-	2.06	502.10	2,821.69	15.67	86.19	88.17	73.76	32.04	3,621.68
Depreciation expense	-	0.07	43.24	281.01	3.66	20.17	7.13	14.90	0.28	370.46
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance at 31st March, 2018	-	2.13	545.34	3,102.70	19.33	106.36	95.30	88.66	32.32	3,992.14
Depreciation expense	-	0.07	47.89	308.08	3.85	20.38	5.23	21.95	-	407.45
Eliminated on disposal of assets	-	-	-	4.37	-	-	-	-	-	4.37
<b>Balance at 31st March, 2019</b>	<b>-</b>	<b>2.20</b>	<b>593.23</b>	<b>3,406.41</b>	<b>23.18</b>	<b>126.74</b>	<b>100.53</b>	<b>110.61</b>	<b>32.32</b>	<b>4,395.22</b>

(₹ in Lakhs)

Carrying amount	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Finance lease Vehicle	Office equipments	Computer	Containers	Total
Balance at 1st April, 2018	155.65	4.89	857.41	2,212.59	28.96	156.33	40.01	39.89	1.99	3,497.72
Additions	-	-	23.17	539.52	3.10	-	19.91	9.68	-	595.38
Disposals	-	-	-	-	0.05	-	-	-	-	0.05
Depreciation expense	-	0.07	43.24	281.01	3.66	20.17	7.13	14.90	0.28	370.46
Balance at 31st March, 2018	155.65	4.82	837.33	2,471.10	28.35	136.16	52.79	34.67	1.71	3,722.59
Additions	-	-	29.37	442.58	6.86	30.94	7.76	46.92	-	564.43
Disposals	-	-	-	2.78	-	-	-	-	-	2.78
Depreciation expense	-	0.07	47.89	308.08	3.85	20.38	5.23	21.95	-	407.45
<b>Balance at 31st March, 2019</b>	<b>155.65</b>	<b>4.76</b>	<b>818.81</b>	<b>2,602.82</b>	<b>31.36</b>	<b>146.72</b>	<b>55.32</b>	<b>59.64</b>	<b>1.71</b>	<b>3,876.79</b>
<b>CWIP as on 31.03.2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116.10</b>
<b>CWIP as on 31.03.2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>410.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>410.60</b>

### Footnotes

1. Plant & equipment includes general plant & machinery, electrical installations, laboratory equipments.

## Notes to financial statements for the year ended 31st March 2019

### 6 INVESTMENTS

(₹ in Lakhs)

	Units	As at 31st March, 2019	Units	As at 31st March, 2018
<b>Non-current</b>				
<b>Investment in Mutual Fund - Quoted</b>				
(a) Investments carried at fair value through other comprehensive income (FVTOCI)				
(i) Canara Robeco mutual fund	-	-	9,544.05	1.85
<b>Total aggregate quoted investments (A)</b>	-	-		<b>1.85</b>
<b>Investment in Equity - Unquoted</b>				
(a) Investments carried at fair value through other comprehensive income (FVTOCI)				
(i) Gupta Concast limited	6300.00	6.30	6300.00	6.30
<b>Total aggregate unquoted investments (B)</b>		<b>6.30</b>		<b>6.30</b>
<b>Total non-current investments (A+B)</b>		<b>6.30</b>		<b>8.15</b>

### 7 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

(Unsecured, considered good unless otherwise stated)	As at 31st March, 2019	As at 31st March, 2018
<b>(i) Non-Current</b>		
Security deposits*	250.00	250.00
Bank deposits as margin money with more than 12 month maturity#	0.54	103.91
<b>Total (A)</b>	<b>250.54</b>	<b>353.91</b>
<b>(ii) Current</b>		
<b>Loans and Advances &amp; other financial assets</b>		
Loans and advances to related parties	38.85	18.03
Other Loans & advances	50.00	50.00
Security Deposit	46.11	43.32
Advances to supplier	312.25	366.12
Interest accrued on fixed deposit with bank	21.37	12.41
Others	2.25	11.11
<b>Total (B)</b>	<b>470.83</b>	<b>500.99</b>
<b>Total other financial assets (A+B)</b>	<b>721.37</b>	<b>854.90</b>

Footnote:

\*Interest free security Deposit has been given to Gupta Concast Ltd against tenancy of Plot No. C - 5 & 6, MIDC, Waluj, Aurangabad

#Margin money with bank is against bank guarantees and letter of credit facility

There is no amount due from director, other officer of company, or firm in which any director is partner or private companies in which any director is a director or member at any time during the reporting period except mentioned below.

i- Advance given to Akar Alloys private limited in which one of company director is also director in Akar Auto Industries Limited.



## Notes to financial statements for the year ended 31st March 2019

### 8 INVENTORIES

(₹ in Lakhs)

(Valued at lower of cost or net realisable value)	As at 31st March, 2019	As at 31st March, 2018
Raw Materials	562.18	747.89
Work-in-Progress	3,238.55	2,971.70
Finished goods (other than those acquired for trading)	1,475.70	812.20
Scrap & Packing Material	74.41	49.02
Stores & Spares	795.98	799.60
<b>Total</b>	<b>6,146.82</b>	<b>5,380.41</b>

Footnote:

1. The mode of valuation of inventories has been stated in note 2.10
2. Loans are secured by first charge on stock (including raw material ,finished goods and work in progress) and book debts (refer note 9 and 14)

### 9 TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>Current</b>		
Unsecured, considered good	3,822.10	3,685.48
<b>Total</b>	<b>3,822.10</b>	<b>3,685.48</b>

Footnote:

1. The credit period ranges from 7 days to 120 days.
2. Before accepting any new customer, the company assesses the potential customer's credit quality and define credit limits by customer.  
Limits attributed to customer are reviewed annually.
3. Neither trade or other receivables are due from directors or other officer of the company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner or a director or a member (refer note 7)
4. Loans are secured by first charge on stock (including raw material ,finished goods and work in progress) and book debts (refer note 8 & 14)

## Notes to financial statements for the year ended 31st March 2019

### 10 CASH AND BANK BALANCES

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>a Cash and cash equivalents (As per AS-3)</b>		
Balance with Banks - In Current Accounts	30.68	63.01
Cash on Hand	7.31	7.37
<b>Total (A)</b>	<b>37.99</b>	<b>70.38</b>
<b>b Other bank balances</b>		
Earmarked balances with banks		
i Balance held for unpaid /unclaimed dividend.	6.39	6.44
ii. Bank deposits as margin money against bank guarantees and letter of credit facility. (With original maturity of more than 12 months, on reporting date maturity time is less than 12 month)	143.41	43.34
<b>Total (B)</b>	<b>149.80</b>	<b>49.78</b>
<b>Total (A+B)</b>	<b>187.79</b>	<b>120.16</b>

### 11 OTHER ASSETS

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>Current</b>		
Statutory dues receivables from govt. authorities:		
VAT credit receivables	6.31	40.68
Export benefit receivables	51.56	67.41
Advances to employees	6.31	1.71
Others advances & receivables	30.70	35.42
Prepaid expense	6.63	16.98
	<b>101.51</b>	<b>162.20</b>

## Notes to financial statements for the year ended 31st March 2019

### 12 SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>Authorised shares capital*</b>		
2,00,00,000 Equity shares of ₹ 5/- each	1,000.00	1,000.00
(PY it was 2,00,00,000 equity shares of ₹ 5/- each)		
<b>Issued, subscribed and fully paid-up shares (in numbers)</b>		
1,07,88,010 Equity shares of ₹ 5/- each	539.40	539.40
(PY 1,07,88,010 Equity shares of ₹ 5/- each)		
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>539.40</b>	<b>539.40</b>

#### b Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. For the year ended 31 March 2019, the amount of per share dividend proposed as distributions to equity shareholders is ₹ 0.55 on face value of ₹ 5 (31st March 2018: ₹ 0.55 on face value of ₹ 5) 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 Details of shareholders holding more than 5% shares in the company:

Equity shares of ₹ 5 each fully paid

Name of Shareholder	Number of shares	% of holding
<b>Equity shares with voting rights</b>		
<b>Usha Gupta</b>		
As at 31 March 2018	2,235,400	20.72
As at 31 March 2019	2,235,400	20.72
<b>R L Gupta (HUF)</b>		
As at 31 March 2018	1,238,250	11.48
As at 31 March 2019	1,238,250	11.48
<b>R L Gupta</b>		
As at 31 March 2018	888,080	8.23
As at 31 March 2019	888,080	8.23
<b>Akar Alloys Pvt Ltd</b>		
As at 31 March 2018	858,796	7.96
As at 31 March 2019	858,796	7.96
<b>Narendra Kumar Gupta</b>		
As at 31 March 2018	789,700	7.32
As at 31 March 2019	789,700	7.32
<b>Nitin Gupta</b>		
As at 31 March 2018	634,400	5.88
As at 31 March 2019	634,400	5.88

#### d As per records of the company as at 31st Mar 2019, no calls remain unpaid by directors & officers of the company.

## Notes to financial statements for the year ended 31st March 2019

### 13 OTHER EQUITY

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
General reserve	336.97	336.97
Securities premium reserve	351.00	351.00
Retained earnings	2,008.14	1,571.19
Reserve for equity instruments through Other Comprehensive income	0.85	0.35
<b>Total</b>	<b>2,696.96</b>	<b>2,259.51</b>

#### General reserve

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	336.97	321.97
Net additions during the year	-	15.00
<b>Balance at the end of the year</b>	<b>336.97</b>	<b>336.97</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### Securities premium reserve

	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	351.00	351.00
Movement	-	-
<b>Balance at the end of year</b>	<b>351.00</b>	<b>351.00</b>

Amount received on issue of shares in excess of the par value has been classified as security share premium

#### Retained earnings

	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	1,571.19	1,338.62
Profit for the year	521.11	320.14
Other Comprehensive income arising from remeasurement of defined benefit obligation (net of taxes)	(12.75)	(1.04)
Payment of dividend on equity shares- Final	(59.33)	(59.33)
Payment of dividend distribution tax on equity shares	(12.08)	(12.20)
Transfer to general reserves	-	(15.00)
<b>Balance at the end of the year</b>	<b>2,008.14</b>	<b>1,571.19</b>

## Notes to financial statements for the year ended 31st March 2019

### Reserve for equity instruments through Other Comprehensive Income

	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	0.35	0.13
Additions during the year	0.49	0.22
<b>Balance at end of year</b>	<b>0.85</b>	<b>0.35</b>

### 14(a) LONG TERM BORROWINGS

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>Secured-at amortised cost</b>		
Term loan from bank /financial institute* (refer note below i)	931.30	576.92
Finance lease obligation* (refer below note ii)	71.06	95.56
<b>Unsecured-at amortised cost</b>		
Others	1,395.98	750.00
<b>Total</b>	<b>2,398.34</b>	<b>1,422.48</b>

\* Part of long term borrowing which is payable in next 12 month is shown under current liabilities.

### Summary of borrowing arrangements

i The terms of repayment of term loans and other loans are stated below:

Particulars	As at 31st March, 2019	As at 31st March, 2018	Rate of Interest	Terms of Repayment
Secured term loan from Canara Bank (refer footnote)	250.97	317.78	MCLR + Spread	The loan is repayable in 72 monthly installments. The repayment begins from month of Dec 15 and last EMI fall due on June 22
Secured term loan from Canara Bank (refer footnote)	836.43	318.08	MCLR + Spread	The loan is repayable in 72 monthly installments. The repayment begins from month of Oct 18 and last EMI fall due on Sept 24
Secured term loan from Siemens Financial Services Private Limited. Term loan is secured by exclusive hypothecation over assets funded by SFSPL.	5.74	14.57	Fixed Interest rate	The loan is repayable in 48 monthly installments. The repayment begins from month of Nov 15 and last EMI fall due on Oct 19
Secured term loan from Siemens Financial Services Private Limited. Term loan is secured by exclusive hypothecation over assets funded by SFSPL.	1.37	16.35	Fixed Interest rate	The loan is repayable in 45 monthly installments. The repayment begins from month of March 15 and last EMI fall due on Apr 19
Secured term loan from Siemens Financial Services Private Limited. Term loan is secured by exclusive hypothecation over assets funded by SFSPL.	44.95	105.98	Fixed Interest rate	The loan is repayable in 36 monthly installments. The repayment begins from month of Jan 17 and last EMI fall due on Dec 19
Secured term loan from Siemens Financial Services Private Limited. Term loan is secured by exclusive hypothecation over assets funded by SFSPL.	0.00	13.83	Fixed Interest rate	The loan is repayable in 48 monthly installments. The repayment begins from month of Apr 15 and last EMI fall due on Mar 19
Unsecured loan from Akar Industries Ltd.	848.75	500.00	Fixed Interest rate	This loan is repayable at the end of 7 years
Unsecured loan from Macotax	250.00	250.00	Interest Free	This loan is repayable at the end of 9 years
Unsecured loan from RL Gupta	15.00	0.00	Interest Free	This loan is repayable at the end of 7 Years
Unsecured loan from Gupta Concast Ltd	160.00	0.00	Interest Free	This loan is repayable at the end of 7 Years

## Notes to financial statements for the year ended 31st March 2019

ii Vehicle loans taken from Punjab National Bank Ltd, HDFC Bank Ltd carries interest @ 8.45% to 10.65% p.a., This loan is repayable in 7 years.

Vehicle Loans are secured by way of hypothecation of respective motor vehicles purchased.

### 14(b) SHORT TERM BORROWINGS

(₹ in Lakhs)

Borrowings	As at 31st March, 2019	As at 31st March, 2018
<b>Secured - at amortised cost</b>		
Loans repayable on demand from banks (refer footnote)		
Banks overdrafts & cash credit facility*	3,818.68	3,848.96
Term loan from bank		
<b>Unsecured- at amortised cost</b>		
Banks	16.30	50.00
Non Banking Financial Institute	166.22	140.91
<b>Total</b>	<b>4,001.19</b>	<b>4,039.87</b>

Footnote:

1. Rupee term loan from Canara Bank is secured by first charged by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the company, both present & future except excluded assets, subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings. The above term loan and working capital loan from Canara bank are also further secured by personal guarantees of some Directors and collateral security by way of mortgage of Land and Building of M/s Gupta Concast Ltd.
2. Unsecured loan of ₹ 50 lakh taken from Kotak Mahindra Bank on fixed interest rate, payable in 36 installment starting month of April 18.
3. Unsecured loan of ₹ 50 lakh taken from Magma Fincorp on fixed interest rate, payable in 36 installment starting month of April 18.
4. Unsecured loan of ₹ 125 lakh taken from Tata Capital on fixed interest rate payable in 11 installment starting month of Feb 18.
5. Unsecured loan of ₹ 200 lakh taken from Tata Capital on fixed interest rate payable in 24 installment starting month of March 19

### 15 DEFERRED TAX LIABILITY

(₹ in Lakhs)

The following is the analysis of deferred tax liabilities/(assets) presented in the Balance sheet

	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liabilities	385.99	484.03
<b>Total</b>	<b>385.99</b>	<b>484.03</b>

Deferred tax movement	2018-19	2017-18
Opening Balance	484.03	441.36
Recognised in statement of profit or loss	(98.04)	42.67
<b>Closing Balance</b>	<b>385.99</b>	<b>484.03</b>

## Notes to financial statements for the year ended 31st March 2019

### 16 TRADE PAYABLES

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>Trade payables</b>		
Total outstanding dues of creditors	3,257.71	3,243.31
Total outstanding dues of creditors against LC acceptances	791.35	786.43
<b>Total</b>	<b>4,049.06</b>	<b>4,029.75</b>

Footnote:

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 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.

### 17 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>Current</b>		
(a) Current maturity of long term borrowings (refer note 14)		
Finance lease obligation	27.61	28.86
Term loan from banks and financial institute	208.15	209.68
(b) Unclaimed dividends	6.39	6.44
(c) Others		
Creditors for capital purchases	0.00	17.46
Advances received from customer	27.88	29.04
Others	2.75	23.98
<b>Total</b>	<b>272.78</b>	<b>315.46</b>

### 18 PROVISIONS

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>Employee Benefits</b>		
<b>Non Current</b>		
Gratuity	209.87	163.17
Compensated Absence	44.89	44.49
<b>Total</b>	<b>254.76</b>	<b>207.66</b>
<b>Current</b>		
Gratuity	0.00	0.00
Compensated Absence	15.98	16.48
<b>Total</b>	<b>15.98</b>	<b>16.48</b>

## Notes to financial statements for the year ended 31st March 2019

### 19 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Provident fund & other employee deduction payable	16.51	7.38
Statutory dues	57.37	273.55
Other liabilities	430.23	330.63
<b>Total</b>	<b>504.11</b>	<b>611.57</b>

### 20 REVENUE FROM OPERATIONS

(₹ in Lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a. Sale of products - Export Sales	4,648.57	3,889.40
Sale of products - Domestic Sales#	21,435.16	19,465.29
b. Other operating revenues *	1,695.15	1,332.83
<b>Total</b>	<b>27,778.88</b>	<b>24,687.52</b>
*Other operating revenues consists of :		
Export Incentive	215.19	181.28
Sales of Scrap	1,372.85	1,057.57
Net foreign exchange gain/ (losses)	46.73	64.18
Other Misc. sales	60.38	29.80
<b>Total</b>	<b>1,695.15</b>	<b>1,332.83</b>

# The Government of India introduced the Goods and Service tax (GST) with effect from 01st July, 2017. Consequently Domestic Sales for the year ended 31st March, 2019 includes excise duty ₹ Nil and for the previous year ended 31st March, 2018 (₹ 4,78,78,094). For the Previous Year Ended 31st March 2018, effective 01st July, 2017 revenue from operations are net of Goods and Service Tax. Accordingly, the figures for current and previous period are not comparable.

### 21 OTHER INCOME

Interest income on Fixed Deposits with Banks carried at amortised cost	22.04	12.63
<b>Total</b>	<b>22.04</b>	<b>12.63</b>

### 22 COST OF MATERIALS CONSUMED

Opening raw material stock at the beginning of the year	747.89	897.76
Add: Purchases *	18,754.36	15,996.22
	<b>19,502.25</b>	<b>16,893.98</b>
Less: Closing stock raw material stock at the end of the year	562.18	747.89
<b>Cost of material consumed</b>	<b>18,940.07</b>	<b>16,146.09</b>

\*Cost of material consumed includes job work expense ₹ 1,154.94 lakh (previous year it was ₹ 1,158.35 lakh)



## Notes to financial statements for the year ended 31st March 2019

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

(₹ in Lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Inventories at the end of the year</b>		
Finished goods	1,475.70	812.20
Work-in-process	3,238.55	2,971.70
Scrap and Packing	74.41	49.02
	<b>4,788.66</b>	<b>3,832.92</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	812.20	781.98
Work-in-process	2,971.70	2,358.81
Scrap and Packing	49.02	30.03
	<b>3,832.92</b>	<b>3,170.82</b>
<b>Net decrease / (increase)</b>	<b>(955.74)</b>	<b>(662.10)</b>

### 24 EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonus	2,349.91	1,905.14
Director's Remuneration	69.83	76.68
"Contribution to provident and other funds (refer note 35)"	135.01	157.76
Staff welfare expenses	38.39	30.42
<b>Total</b>	<b>2,593.14</b>	<b>2,170.00</b>

### 25 FINANCE COSTS

Interest on borrowings	554.83	549.57
Other borrowing costs	256.03	295.37
<b>Total</b>	<b>810.86</b>	<b>844.94</b>

### 26 DEPRECIATION & AMORTISATION EXPENSE

Depreciation of property, plant & equipment.(refer note 5)	407.45	370.46
<b>Total</b>	<b>407.45</b>	<b>370.46</b>

## Notes to financial statements for the year ended 31st March 2019

### 27 OTHER EXPENSES

(₹ in Lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a Consumption of stores and spare parts	1,153.75	1,130.53
b Consumption of packing materials	502.04	534.41
c Power and fuel	2,153.23	1,661.84
d Water charges	15.88	15.44
e Repairs and maintenance - Buildings	52.62	42.18
f Repairs and maintenance - Machinery	298.61	279.72
g Repairs and maintenance - Others	18.77	33.36
h Insurance	9.21	6.74
i Rates and taxes	55.71	50.20
j Director's Sitting Fees	12.88	8.46
k Communication	22.32	19.72
l Travelling and conveyance	211.16	171.52
m Printing and stationery	13.74	15.49
n Freight and forwarding	387.75	395.33
o Sales discount	120.63	108.59
p Business promotion	52.84	44.31
q Donations and contributions	26.52	10.71
r Legal and professional	122.30	81.68
s Payment to Statutory Auditors*	2.40	2.40
t Miscellaneous expenses	119.19	98.08
<b>Total</b>	<b>5,351.57</b>	<b>4,710.71</b>

#### DETAILS OF PAYMENT TO AUDITORS\*

<b>As auditor-</b>		
Audit fee	2.00	2.00
Tax audit fee	0.40	0.40
<b>Total</b>	<b>2.40</b>	<b>2.40</b>

### 28 EXCEPTIONAL ITEMS

(Profit) / Loss on Sale of Fixed Assets (Machinery)	(0.12)	-
Sundry balances written off	63.00	144.58
<b>Total</b>	<b>62.88</b>	<b>144.58</b>

## Notes to financial statements for the year ended 31st March 2019

### 29 INCOME TAX EXPENSE

(₹ in Lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>a Provision for current tax ( net of advance tax )</b>	<b>154.68</b>	<b>123.78</b>
<b>b Total tax expense recognised in profit or loss</b>		
Current tax on profit for the year	166.72	133.87
Total current tax expense (A)	<b>166.72</b>	<b>133.87</b>
Short/(Excess) tax provision for earlier years	0.88	0.00
Total short/(excess) tax expense (B)	<b>0.88</b>	<b>0.00</b>
<b>Deferred tax</b>		
In respect of current year	(98.04)	42.67
Total deferred tax expense (C)	<b>(98.04)</b>	<b>42.67</b>
<b>Total income tax expense recognise in statement of profit &amp; loss (A+B+C)</b>	<b>69.56</b>	<b>176.55</b>
<b>c Reconciliation of tax expense and accounting profit as follows</b>		
Profit before tax	590.67	496.69
Income tax expense calculated	164.33	164.20
Effect of expense that are not deductible in determining taxable profit	127.79	134.82
Effect of expense that are deductible in determining taxable profit	(125.39)	(165.15)
	<b>166.72</b>	<b>133.87</b>
<b>Income tax expense recognised in statement of PL</b>	<b>166.72</b>	<b>133.87</b>

### 30 EARNING PER SHARE

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit after tax	521.11	320.14
Weighted Average No. of Equity Shares Outstanding *	10788010	10788010
Nominal Value of shares (in ₹)	5.00	5.00
Basic & Diluted Earnings Per Share (In ₹)	4.83	2.97

## Notes to financial statements for the year ended 31st March 2019

### 31 CONTINGENT LIABILITIES AND COMMITMENTS

#### 1 Contingent Liabilities -

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
a Guarantees issued by banks on behalf of the company and outstanding	247.57	226.92
b Liabilities against the Company not acknowledged as debts		
for Income Tax	180.49	165.37
for TDS	6.19	25.72
for TCS	9.96	9.96
for Excise (Service Tax)	23.61	23.61
c Foreign Bills and Inland bills discounted and outstanding	410.85	787.15
d Letters of Credit for Purchases	793.44	799.00
c The company has given performance guarantees and /or guarantees against loans given from Karvy Finance to Akar Industries Pvt. Ltd.	175.00	175.00

#### 2 Commitments

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
a Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	112.10	1,242.37

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

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	10.56	280.37

## Notes to financial statements for the year ended 31st March 2019

### 33 RELATED PARTY DISCLOSURE

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

#### 1 Name of the party and relationships

SL No.	Description of Relationship	Name of Related Parties
1	Enterprises over which Key Managerial Personnel are able to exercise significant influence	R.L. Steels & Energy Ltd. Akar Alloy Pvt Ltd Aurangabad Forgings P Ltd. Gupta Concast Ltd Santh Eknath Rolling Mills Pvt Ltd Akar Industries Pvt Ltd Akar Minerals Pvt Ltd Lavanya Investments Pvt Ltd. Shatrunji Investments Pvt Ltd
2	Key Management Personnel	Mr. R L Gupta - Chairman Mr. Sunil Todi - Managing Director Mr. Pradeep Nijampurkar - Executive Director Mr. N K Gupta - Director Mr. Sanjay Jhawar - CFO (up to 6th July 2018) Mr. Vinay Joshi - CFO (w.e.f from 12th Nov 2018) Mr. Mitesh Gadhiya - Company Secretary
3	Relatives of Key Management Personnel	Mr. Nitin Gupta Mrs. Usha Devi Gupta Mrs. Sushila Devi Gupta

#### 2 Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2019

(₹ in Lakhs)

Sl No.	Particulars	Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Management Personnel		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	<b>Part 1: Transaction During the Period</b>						
<b>1</b>	<b>Sale of Goods</b>						
	R.L. Steels & Energy Ltd	2,058.26	1,548.61	-	-	2,058.26	1,548.61
<b>2</b>	<b>Purchase of Goods</b>						
	R.L. Steels & Energy Ltd	12,098.52	11,243.11	-	-	12,098.52	11,243.11
<b>3</b>	<b>Loan / Advances Given / taken</b>						
	Akar Industries Pvt Ltd	318.00	-	-	-	318.00	-
	Gupta Concast Ltd	160.00	-	-	-	160.00	-
	R. L. Gupta	15.00	-	-	-	15.00	-

## Notes to financial statements for the year ended 31st March 2019

Sl No.	Particulars	Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Management Personnel		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>3</b>	<b>Rent Expenses</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>4</b>	<b>Interest Expenses</b>						
	Akar Industries Pvt Ltd	50.00	50.00	-	-	50.00	50.00
<b>5</b>	<b>Remuneration</b>						
	Sunil Todi	-	-	56.65	63.50	56.65	63.50
	Pradeep Nijampurkar	-	-	13.18	13.18	13.18	13.18
	Sanjay Jhawar - CFO (upto 6th July 2018)	-	-	10.17	19.79	10.17	19.79
	Vinay Joshi - CFO (w.e.f. 12th November 2018)	-	-	11.72	0.00	11.72	0.00
	Mitesh Gadhiya	-	-	13.10	11.81	13.10	11.81
	<b>Part 2: Balance at the end of the period</b>						
<b>1</b>	<b>Trade Payable</b>						
	R.L. Steels & Energy Ltd	775.56	850.29	-	-	775.56	850.29
	Aurangabad Forgings P Ltd.	7.95	5.33	-	-	7.95	5.33
	Shatrunji Investments Pvt Ltd	3.12	2.34	-	-	3.12	2.34
	Gupta Concast Ltd	-	28.40	-	-	0.00	28.40
<b>2</b>	<b>Loans &amp; Advances</b>						
	Akar Alloy Pvt Ltd	14.35	14.35	-	-	14.35	14.35
	Aurangabad Forgings P Ltd.	5.00	5.00	-	-	5.00	5.00
	Lavanya Investments Pvt Ltd.	3.50	3.50	-	-	3.50	3.50
<b>3</b>	<b>Security Deposits (Against Rent)</b>						
	Gupta Concast Ltd	250.00	250.00	-	-	250.00	250.00
<b>4</b>	<b>Unsecured Loan</b>						
	Akar Industries Pvt Ltd.	854.50	521.65	-	-	854.50	521.65
	Gupta Concast Ltd	160.00	-	-	-	160.00	-
	R L Gupta	15.00	-	-	-	15.00	-
<b>5</b>	<b>Investment in Shares (Unquoted)</b>						
	Gupta Concast Ltd	6.30	6.30	-	-	6.30	6.30
<b>6</b>	<b>Managerial Remuneration (Payable)/Recoverable</b>						
	Sunil Todi	-	-	-	(1.29)	0.00	(1.29)

### 34 SEGMENT REPORTING

The Company is engaged in the business of "Automotive Components" and therefore, has only one reportable segment in accordance with IND AS 108 "Operating Segments".

# Notes to financial statements for the year ended 31st March 2019

## 35 EMPLOYEE BENEFIT PLAN

### Defined contribution plan

The company makes provident fund contribution to defined contribution retirement benefit plan for eligible employees. Under the scheme, the company is required to contribute a specific percentage of pay roll costs to fund the benefits. The contribution as specified under the law are paid to government authorities ( PF commissioner) and such contribution is recognised as expense in year it is determined.

### Defined benefit plan

The company offer it employees defined benefit plan in form of gratuity scheme (a lump sum amount). The gratuity scheme covers all regular employees. In case of gratuity scheme company contributes funds to gratuity trust which is irrevocable, and if company did not make contribution in trust then such unpaid contribution is shown under provision in financial statement. Commitments are actuarially determined at year end. The actuarial valuation is done based on " Projected Unit Credit " method. These plan typically expose the company to actuarial risk such as; investment risk, interest rate risk, longevity risk and salary risk.

### Investment risk:

The present value of defined benefit liability is calculated using discount rate which is determined by using reference to market yields at the end of reporting period on government bonds. If return on planned assets is below this rate it will create plan deficit.

### Interest risk:

A decrease in bond interest rate will increase the plan liability; however this will partially offset by an increase in plan assets.

### Longevity risk:

The present value of defined benefit plan is calculated by reference to the best estimate of the mortality of plan participants. An increase in life expectancy of plan participants will increase the plan`s liability.

### Salary risk:

The present value of defined benefit plan is calculated by reference to the future salary of plan participants. As such an increase in the salary of plan participants will increase the plan`s liability.

The principal assumptions used for purpose of actuarial valuation were as follows.

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Discount Rate	7.00%	7.35%
Salary escalation rate	6.00%	6.00%
Expected return on Assets	7.35%	7.35%

Mortality rate is assumed based on Indian assured lives (2006-08) Ult.

Amount recognised in statement of profit & loss in respect of these defined benefit plan are as follows.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Service Cost:		
Current Service Cost	20.48	18.81
Interest Cost	21.23	15.77
Expected Return on Plan Assets	(9.25)	(8.01)
Past Service Cost	-	7.91
<b>Component of defined benefit cost recognised in profit or loss</b>	<b>32.47</b>	<b>34.48</b>

## Notes to financial statements for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Remeasurement on net defined benefit liability:		
Actuarial (gain)/loss arising from change in financial assumption	4.93	(5.81)
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from experience adjustment	5.71	7.78
Return on plan assets(excluding amount included in net interest expense)	2.11	(0.93)
<b>Component of defined benefit cost recognised in Other comprehensive income</b>	<b>12.75</b>	<b>1.04</b>

Amount included in the Balance sheet arising from entity's obligation in respect of its defined benefit plan is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Present value of defined benefit obligation	318.69	289.08
Fair Value of Plan Assets	108.82	125.91
<b>Funded Status - (Surplus)/Deficit</b>	<b>209.87</b>	<b>163.17</b>
Restriction on assets recognised	-	-
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>209.87</b>	<b>163.17</b>

Movement in present value of defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Defined Benefit Obligation, Beginning of Period	289.08	263.99
Current Service Cost	20.48	18.81
Interest Cost	21.23	15.77
Actual Plan Participants' Contributions	-	-
Actuarial (gain)/loss arising from change in financial assumption	4.93	(5.81)
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from experience adjustment	5.71	7.78
Actual Benefits Paid	(22.75)	(19.37)
Past Service Cost	-	7.91
<b>Defined Benefit Obligation, End of Period</b>	<b>318.69</b>	<b>289.08</b>



## Notes to financial statements for the year ended 31st March 2019

Movement in fair value of plan assets are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening Fair value of plan assets	125.91	116.97
Interest Income	9.25	8.01
Employers Contribution	21.01	-
Benefits Paid	(45.24)	-
Actuarial gain/(loss) on plan assets	(2.11)	0.93
<b>Closing Fair value of plan assets</b>	<b>108.82</b>	<b>125.91</b>

The plan assets are managed by the gratuity trust formed by company. The management of funds is entrusted with Life Insurance Corporation of India ("LIC").

### Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at 31st March, 2019	
Defined Benefit Obligation (Base)		318.69
	Decrease	Increase
Discount Rate	325.98	311.69
Impact of increase/decrease in 50 bps on DBO	2.3%	-2.2%
Salary Growth Rate	311.59	326.02
Impact of increase/decrease in 50 bps on DBO	-2.20%	2.30%

Expected Cash Flows	31st March, 2019
Year 1	74.10
Year 2 to 5	171.61
Year 6 to 10	136.66
More than 10 Years	73.08

## Notes to financial statements for the year ended 31st March 2019

### 36 FINANCIAL INSTRUMENTS

Financial assets & liabilities

The accounting classification of each category of financial instruments, their carrying amounts and fair value amounts are set out below:

As at 31st March, 2019

(₹ in Lakhs)

Financial assets	Fair Value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Investment	-	6.30	6.30	6.30
Trade receivables	-	3,822.10	3,822.10	3,822.10
Cash & bank balance	-	187.79	187.79	187.79
Other financial assets	-	721.36	721.36	721.36
<b>Total</b>	<b>-</b>	<b>4,737.55</b>	<b>4,737.55</b>	<b>4,737.55</b>

As at 31st March 2018

(₹ in Lakhs)

Financial assets	Fair Value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Investment	1.85	6.30	8.15	8.15
Trade receivables	-	3,685.48	3,685.48	3,685.48
Cash & bank balance	-	224.07	224.07	224.07
Other financial assets	-	750.99	750.99	750.99
<b>Total</b>	<b>1.85</b>	<b>4,666.84</b>	<b>4,668.69</b>	<b>4,668.69</b>

As at 31st March 2019

(₹ in Lakhs)

Financial liabilities	Fair Value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Borrowings	-	6,399.54	6,399.54	6,399.54
Trade payables	-	4,049.06	4,049.06	4,049.06
Other financial liabilities	-	272.78	272.78	272.78
<b>Total</b>	<b>-</b>	<b>10,721.37</b>	<b>10,721.37</b>	<b>10,721.37</b>

As at 31st March 2018

(₹ in Lakhs)

Financial liabilities	Fair Value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Borrowings	-	5,462.35	5,462.35	5,462.35
Trade payables	-	4,029.75	4,029.75	4,029.75
Other financial liabilities	-	315.46	315.46	315.46
<b>Total</b>	<b>-</b>	<b>9,807.56</b>	<b>9,807.56</b>	<b>9,807.56</b>

## Notes to financial statements for the year ended 31st March 2019

### 37 FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the group's assets:

Quantitative disclosures fair value measurement hierarchy for assets at March 31, 2019

(₹ in Lakhs)

Particulars	Date of Valuation	Total	Quoted price in active market (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Financial Assets					
Assets measured at fair value:					
Investment	31-Mar-19	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets at March 31, 2018

Particulars	Date of Valuation	Total	Quoted price in active market (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Financial Assets					
Assets measured at fair value:					
Investment	31-Mar-18	1.85	1.85	-	-

### 38 FINANCIAL RISK MANAGEMENT OBJECTIVE & POLICIES

The company's principal financial liabilities, other than derivatives, comprise borrowings, trade payable, other payable, security deposits, unpaid dividend. The company's principal financial assets include investments, trade and other receivables, cash & cash equivalents that derived directly from its operation. The company's financial risk management is an integral part of how to plan and execute its business strategies. The company is exposed to various business risks such as market risk, credit risk, and liquidity risk.

The company's senior management oversees the management of these risks. The company has a system-based approach to risk management, established policies and procedures, and internal financial controls with the object to ensure early identification, evaluation and management of key financial risks. Accordingly, the company's risk management framework has the objective of ensuring that such risks are managed with acceptable & approved parameters in a disciplined and consistent manner and in compliance with applicable regulation. The board of directors reviews policies for managing each of these risks which are summarised below.

**Market risk-** Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices. The company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The company enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts to hedge the exchange rate risk arising on import and exports.

## Notes to financial statements for the year ended 31st March 2019

### Foreign Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The Carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting are as follows:

Particulars	Liabilities (Foreign Currency) (In Mn.)		Assets (Foreign Currency) (In Mn.)	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
In US Dollars (USD)	0.61	0.78	1.17	1.07
In Euro (EUR)	-	-	0.01	-

Particulars	Liabilities (₹ in Lakhs)		Assets (₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
In US Dollars (USD)	433.06	509.10	822.04	690.54
In Euro (EUR)	-	-	10.27	-

### Foreign currency sensitivity analysis

The Company is mainly exposed to the currency: USD and EUR

The following table details the company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity share where the Rupee Strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balanced below would be negative.

### Impact on profit or loss and total equity

Particulars	USD impact	
	As at 31st March, 2019	As at 31st March, 2018
Increase in exchange rate by 5%	19.45	9.07
Decrease in exchange rate by 5%	(19.45)	(9.07)

Particulars	EUR impact	
	As at 31st March, 2019	As at 31st March, 2018
Increase in exchange rate by 5%	-	-
Decrease in exchange rate by 5%	-	-

The company in accordance with its risk management policies and procedures, enter into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one month and 11 month. The above sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

## Notes to financial statements for the year ended 31st March 2019

### Derivate instruments:

The company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The uses of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

The following forward exchange rate contracts are outstanding as at balance sheet date:

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Number of contracts	Amount (₹ in Lakhs)	Foreign Currency (In Mn.)	Number of contracts	Amount (₹ in Lakhs)	Foreign Currency (In Mn.)
Receivable	NIL	NIL	NIL	7	732.66	USD 1.10

The line item in the Balance Sheet that includes the above hedging instruments are "other financial assets and other financial liabilities".

### Equity risk

There is no material equity risk relating to the company's equity investments which are detailed in note 6 "Investments".

### Interest risk

There is no material interest risk relating to the company's financial liabilities which are detailed in note 17, 18 and 19.

### Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company. The company uses its own trading records to evaluate the credit worthiness of its customers. The Company's exposure are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties (refer note 9 - Trade receivable).

### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements.

The Company manages liquidity risk by maintaining adequate reserves, bank facilities and reserves borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Liquidity risk table

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

## Notes to financial statements for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Less than 1 year	1-5 years	5+ years	Total	Carrying Amount
<b>As at 31 March, 2019</b>					
Borrowings	4,236.96	2,398.34	-	6,635.30	6,635.30
Other financial liabilities at amortised cost	4,086.07	-	-	4,086.07	4,086.07
	<b>8,323.03</b>	<b>2,398.34</b>	<b>-</b>	<b>10,721.37</b>	<b>10,721.37</b>
<b>As at 31 March, 2018</b>					
Borrowings	4,278.41	1,422.48	-	5,700.89	5,700.89
Other financial liabilities at amortised cost	4,106.67	-	-	4,106.67	4,106.67
	<b>8,385.08</b>	<b>1,422.48</b>	<b>-</b>	<b>9,807.55</b>	<b>9,807.55</b>

Borrowing includes short term working capital limits from Banks which generally get renewed every year. (Refer No. 14)

### 39 CAPITAL MANAGEMENT

For purpose of company capital management, capital includes equity attributable to equity holders of the company and all other equity reserves. The primarily objective of the company capital management is to ensure that it maintains an efficient capital structure and maximise shareholder value. Company declare dividends or adjust dividend payments after considering required capital structure.

No changes were made in the objectives, policies or process for managing capital during the year ended Mar 31, 2019, Mar 31, 2018

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Equity Share capital	539.40	539.40
Free Reserve	2,008.14	1,571.19
Reserve to share capital ratio (in no of times)	3.72	2.91

**40 Investors' Protection Fund :** A sum of ₹ 0.75 Lakhs relating to Financial Year 2009-10 is transferred to the credit of Investors' Protection Fund and there is no due and outstanding for transfer to the credit of the Investors' Protection Fund as on 31.03.2019 (Previous Year ₹ 0.77 Lakhs).

**41** The company has decided to apply for compounding under section 441 of the Companies Act, 2013 of matter arose out of the inspection by MCA. Since the matter is not finalized its impact on the account could not be ascertained. Once the same is decided by the competent authority, the same shall be accounted for in the year in which it is determined.

**42** Previous year's figures have been regrouped and / or reclassified wherever necessary to conform to this year's classification.

As per our report of even date

#### For Jaju & Kabra

Chartered Accountants  
(FRN 140398W)

Sd/-

**Rahul Jaju**

Partner

Membership No. 164021

Place: Aurangabad

Date: 29th May 2019

#### For and on behalf of the board of directors of

Sd/-

**R.L. Gupta**

Chairman

DIN:00061861

Sd/-

**Vinay Joshi**

Chief Financial Officer

Place: Aurangabad

Date: 29th May 2019

Sd/-

**Sunil Todi**

Managing Director

DIN:00061952

Sd/-

**Mitesh Gadhiya**

Company Secretary

Sd/-

**N.K. Gupta**

Director

DIN:00062268

# AKAR AUTO INDUSTRIES LIMITED

(Formerly known as Akar Tools Limited)

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

CIN: L29220MH1989PLC052305

## FORM OF PROXY (MGT - 11)

[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 Auto Industries 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 30th Annual General Meeting of the Company to be held on Wednesday, 25th September, 2019 at 11:30 A.M. and at any adjournment thereof in respect of resolution as are indicated below:

Resolution No.	Description	For	Against
Ordinary Business			
1	Adoption of the Audited Statement of Profit and Loss for the Financial Year ended 31st March, 2019, the Balance Sheet as on that date, the Board and Auditor's Report thereon.		
2	Declaration of dividend on equity shares for the Financial Year ended 31st March, 2019.		
3	Appoint a Director in place of Mr. R. L. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
4	Ratification of the remuneration of Cost Auditors of the Company for the financial year 2019-20.		
5	Appointment of Mr. Anil Kumar Gupta as an Independent Director.		
6	Appointment of Mr. Ulhas Narayanrao Gaoli as an Independent Director.		
7	Approval for issue of redeemable non-convertible debentures.		
8	Approval for Material Related Party Transactions.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

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

Affix ₹1  
Revenue  
Stamp

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





## AKAR AUTO INDUSTRIES LIMITED

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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/We certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/We hereby record hereby record my/our presence at the 30th Annual General Meeting of the Company held at Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai- 400021 on Wednesday, 25th September, 2019 at 11.30 A.M.

\_\_\_\_\_  
Member/Proxy's Name (in block letter)

\_\_\_\_\_  
Member/Proxy's Signature

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





# BOOK-POST



**AKAR AUTO INDUSTRIES LIMITED**

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