

Notice to Members

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of Akar Auto Industries Limited (Formerly known as Akar Tools Limited) will be held on Tuesday, 29th day of September 2020 at 11.30 a.m. IST through video conferencing ('VC') / other audio visual means ('OAVM') 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, 2020 together with Board's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. P. M. Nijampurkar (holding DIN 01805132), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Ratification of remuneration to Cost Auditor for the financial year 2020-21.**

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, 2021, 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."

4. **Re-appointment of Mr. Sunil Todi as Managing Director and Payment of Remuneration.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Members be and is hereby accorded to the re-appointment and terms of remuneration of Mr. Sunil Todi (DIN: 00061952) as Managing Director ('MD') of the Company for a period of five years, with effect from 16th September, 2020 to 15th September, 2025, not liable to retire by rotation, upon the terms and conditions set out in the Statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of Section 197 of the Act, as recommended by the Nomination and Remuneration Committee, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the Board and MD.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

5. **Re-appointment of Mrs. Bhavna Saboo as an Independent Director.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), the Companies (Appointment and Qualifications of

Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, Mrs. Bhavna Saboo (DIN: 03008960), who holds office as an Non-Executive Independent Director, up to 29th September, 2020 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term commencing with effect from 30th September, 2020 up to 29th September, 2025, not liable to retire by rotation."

6. 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 2019-20; 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 2020 to 31st March 2021	2,500.00
		Purchase of Raw Material		15,000.00
2	Akar Industries Private Limited	Purchase of Raw Material	1st April 2020 to 31st March 2021	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

Date: 29th August, 2020
Place: Aurangabad

Sd/-
MITESH GADHIYA
(Company Secretary)

NOTES FOR MEMBERS' ATTENTION

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated 5th May, 2020 in relation to 'Clarification on holding of annual general meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19' (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic' ('SEBI Circular') permitted the holding of the Annual General Meeting ('AGM')/'the Meeting') through VC/OAVM, without the physical presence of the members at a common venue.

In compliance with the provisions of the Companies Act, 2013 (the 'Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the 31st AGM of the Company is being held through VC/OAVM on Tuesday, 29th September, 2020 at 11.30 a.m. (IST).

The deemed venue for the AGM will be the place from where the Chairman of the Board conducts the Meeting.

2. As per the provisions of clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at item nos. 3 to 6 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
3. 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.

4. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available to at least 1,000 members on a first come first served basis as per the MCA Circulars.
7. In line with the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA and the SEBI Circular, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. The Notice of AGM and Annual Report 2019-20

are available on the Company's website viz. www.akartoolsLtd.com and may also be accessed from the relevant section of the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also on the website of CDSL at www.evoting.cdsl.com.

8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice can be inspected in electronic mode by sending a request on email to corporate@akartoolsLtd.com.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2020 to 25th September, 2020 (both days inclusive).
10. 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.
11. 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 (if any). Members holding the shares in physical form are requested to write to the Company's RTA for the registration or change of bank mandates for the payment of Dividend (if any).
12. Members who have not encashed their dividend warrants are advised to write to the Company immediately for claiming dividends declared by the Company earlier.
13. 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's RTA.
14. As per Regulation 40 of the SEBI Listing Regulations, as amended, transfer of securities would be carried out in dematerialised form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However, members can continue to hold shares in physical form. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's RTA for assistance in this regard.
15. Members seeking further information about the accounts are requested to write to the Company at corporate@akartoolsLtd.com on or before September 18, 2020, so that it may be convenient to get the information ready at the meeting.
16. Members are requested to furnish or update their e-mail IDs with Company's RTA 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.
17. Members are requested to send all their documents and communication pertaining to shares to Company's RTA; M/s Bigshare Services Private Limited, 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.
18. 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 Company's RTA for them to do the needful.
19. Members are requested to notify change in address, if any, immediately to Company's RTA quoting their folio numbers.
20. As per the provisions of Section 72 of Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to cancel the earlier nomination and record fresh nomination, he / she may submit the same in Form No. SH-14. Both forms can be downloaded from Company's website www.akartoolsLtd.com under the 'Investor' Section. Members holding shares in physical form are requested to submit the shares to Company's RTA. Members holding shares in electronic form may submit the forms to their respective Depository participant.

21. 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, 2012 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 2012-13 declared on 27th September, 2013, can be claimed by the Members by 26th September, 2020.

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

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

In order to help Members to ascertain the status of unclaimed dividends, the Company has uploaded the information in respect of unclaimed dividends for the financial year ended 31st March, 2013 and subsequent years on the website of Investor Education and Protection Fund, www.iepf.gov.in and under 'Investor' Section on the website of the Company, www.akartoolsLtd.com. 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 under 'Investor' section.

22. 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.

23. The Company will hold the AGM through VC facility without physical presence of the members. The necessary details for joining the meeting are given below:

(I) Members may attend the AGM using VC facility on a live streaming link available at www.evotingindia.com under shareholders / members login by using the remote e-voting login credentials. The link for live streaming of the AGM will be available under the EVSN of the Company. The members holding shares either in demat form or in physical form shall follow the instructions given below to join the AGM through VC facility.

(II) Members can participate in the AGM through desktop / laptop/smart phone / tablet. However, for better experience and smooth participation, it is advisable to join the Meeting through desktop / laptop connected through broadband.

On desktop / laptop:

- (a) On clicking the link to attend the AGM, a webpage will open which will ask for your name and email ID
- (b) Fill name of the 1st shareholder as appearing in the demat account statement / share certificate
- (c) Fill the email ID registered with the depository / the Company
- (d) Click on submit

On smart phone / tablet:

- (a) Download the Cisco Webex Meetings app on your smart phone / tablet. Cisco Webex Meetings 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. This app can be downloaded without any charge.

- (b) On clicking the link to attend the AGM, a new page will open in the app which will ask for your name and email ID
- (c) Fill name of the 1st shareholder as appearing in the demat account statement / share certificate
- (d) Fill the email ID registered with the depository / the Company
- (e) Click on submit

Members who face any technical difficulty in accessing www.evotingindia.com may contact toll free no. 1800 225 533.

24. The meeting will be conducted following the below process:

- (I) The link for joining the meeting will be made active 15 minutes prior to the meeting i.e. at 11.15 a.m. on 29th September, 2020. Members are requested to join the meeting on time.
- (II) Since this meeting is being held through video conferencing, physical attendance of members has been dispensed with. Therefore, appointment of proxies is not applicable.
- (III) Pursuant to Section 113 of the Act, corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, by e-mail before e-voting / attending AGM, to corporate@akartoolsLtd.com.
- (IV) Members who have questions or seeking clarifications on the Annual Report or on the proposals as contained in this Notice are requested to send e-mail to the Company at corporate@akartoolsLtd.com on or before 5.00 p.m. on Friday, 18th September, 2020. This would enable the Company to compile the information and provide the replies at the meeting. The Company will be able to answer only those questions at the meeting which are received in advance as per the above process.

The Company will allot time for members to express their views or give comments during the meeting. The members who wish to speak at the meeting need to register themselves as a speaker by sending an e-mail from their registered e-mail ID mentioning their name, DP ID and Client ID / Folio number and mobile number, to the e-mail ID, corporate@akartoolsLtd.com on

or before 5.00 pm on Friday, 18th September, 2020. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.

(V) The voting on the proposals contained the Notice of AGM will be conducted as under:

- (a) The members who have registered their email addresses with the Company / their depository, can cast their vote through remote e-voting or through the e-voting during the meeting using the process mentioned below, in para 25, for evoting through electronic system means.
- (b) The members who are holding shares in physical form and who have not registered their email ID with the Company, can write to corporate@akartoolsLtd.com by providing their name and folio number and obtain default PAN (if PAN is not registered with the Company) for the purpose of e-voting in CDSL portal and exercise their vote either through remote e-voting or vote electronically during the AGM. The credentials will be provided to the members after verification of all details.

Detailed instructions for voting are contained in Para 25 below.

- (VI) The Board of Directors of the Company has appointed Mr. Nitin S. Sharma (COP No 9761), Practising Company Secretary, as the Scrutinizer for conducting the process of remote e-voting and e-voting during AGM in a fair and transparent manner.
- (VII) The Scrutinizer shall submit his report, to the Chairman or any person authorized by him, on the voting in favour or against, if any, within forty-eight hours from the conclusion of the Meeting.
- (VIII) The results declared along with the consolidated Scrutinizer's Report and the recorded transcript of the meeting shall be placed on the website of the Company www.akartoolsLtd.com. The results shall simultaneously be communicated to the Stock Exchange.

25. 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 which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 31st Annual General Meeting of the Company.

Please refer below the instructions given below relating to voting through electronic means.

E-voting facility:

The remote e-voting period will begin on Saturday, 26th September, 2020 at 9.00 a.m. and will end on Monday, 28th September, 2020 at 5.00 p.m. During this period, members of the Company holding shares either in physical form or dematerialized form as on Friday, 18th September, 2020 (the "Cut-off Date") may exercise their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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, 18th September, 2020 (the "Cut-off Date"), only shall be entitled to avail the facility of remote e-voting as well as voting through e-voting system during 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.

Any person who becomes a member of the Company after dispatch of the Notice of the Annual General Meeting and holding shares as on the cut-off date and wishing to participate in the e-voting may obtain User ID and password by sending a letter or email to the Company's Registrar and Transfer Agents, Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apt., Marol Maroshi Road, Andheri East, Mumbai (Email ID: evoting.investor@bigshareonline.com) providing details such as name of the Member, DPID / Client ID no. and name of the Company. User ID and password will be provided through email or SMS or letter as per details of the Member provided by the Depositories or available with the Registrars. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

The voting during the AGM will begin on 29th September, 2020 at 11.30 a.m. and will end on completion of 15 minutes from the time of the conclusion of the AGM. Within this period, all members who are present at the AGM through VC facility and who have not yet exercised their vote through remote e-voting, can exercise their vote electronically.

The facility for e-voting during the meeting is available only to those members participating in the meeting through VC facility. If a member has exercised his / her vote during the AGM through e-voting but not attended the AGM through VC facility, then the votes casted by such member shall be considered invalid.

The procedure for remote e-voting and e-voting during the AGM is the same. The instructions for members voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders / Members.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. 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).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Akar Auto Industries Limited.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) 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.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they

have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By order of the Board

Sd/-

MITESH GADHIYA
(Company Secretary)

Date: 29th August, 2020
Place: Aurangabad

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

ITEM NO 3:

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 June, 2020 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, 2021.

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

None of the Directors or Managers or Key Managerial Persons of the Company or their relatives, are in any way deemed to be concerned or interested, financially or otherwise, in the resolution as set out in Item No. 3 of the Notice.

Your Directors recommend an Ordinary Resolution as set out in Item no. 3 of the Notice for the approval of Members.

ITEM NO 4:

Mr. Sunil Todi was appointed as the Managing Director of the Company for a period of five years effective from 16th September, 2015 till 15th September, 2020, not liable to retire by rotation, and the said appointment was approved by the Shareholders at the 26th Annual General Meeting held on 30th September, 2015.

Mr. Sunil Todi is a qualified Chartered Accountant and Company Secretary. He is associated with the Company since 1995 and has worked at various key positions. He is the Managing Director of the Company since 2001. He has a vast experience of more than 30 years in auto industry.

Further, on the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on 29th August, 2020 approved the re-appointment and terms of remuneration of Mr. Sunil Todi, subject to the approval of the Shareholders.

The main terms and conditions relating to the re-appointment of Mr. Sunil Todi as Managing Director are as follows:

(1) Period:

For a period of 5 years i.e., from 16th September, 2020 to 15th September, 2025.

(2) Nature of Duties:

The Managing Director shall devote his whole time and attention to the business of the Company and

perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

(3) Remuneration:

Total Gross Salary as may be decided by Nomination and Remuneration Committee from time to time in the range of ₹ 5,00,000/- (Rupees Five Lakhs only) per month to ₹ 12,00,000/- (Rupees Twelve Lakhs only) per month.

(4) Perquisites:

- (a) Medical reimbursement of expenses incurred towards medical for self and family (spouse and children).
- (b) Contribution towards provident fund, superannuation fund.
- (c) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- (d) Encashment of leave at the end of tenure.
- (e) Reimbursement of expenses incurred towards the use of telephone and internet connection.
- (f) Reimbursement of expenses incurred towards travelling (domestic and abroad) in connection with company's business.
- (g) Provision of car for business and personal use.

(5) Minimum Remuneration:

Notwithstanding anything contained herein, where in any financial year, during the tenure of Mr. Sunil Todi, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approval, pay remuneration by way of salary, perquisites not exceeding the maximum limit laid down in Section II of Part II of Schedule V to the Companies Act, 2013, as may be agreed by the Board of Directors.

The above may be treated as an abstract of the terms of contract between the Company and Mr. Sunil Todi under Section 196 of the Companies Act, 2013. A copy of the aforesaid document setting out the terms and conditions is available for inspection without any fees by the members at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

The profile and specific areas of expertise of Mr. Sunil Todi are provided as annexure to this Notice.

None of the Directors or Managers or Key Managerial Persons of the Company or their relatives, except Mr. Sunil Todi, to whom the resolution relates, are in any way deemed to be concerned or interested, financially or otherwise, in the resolution as set out in Item No.4 of the Notice.

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

ITEM NO 5:

Mrs. Bhavna Saboo was appointed as a Non-Executive Independent Director to fill up the casual vacancy caused due to the resignation of Mrs. Shilpa Sharma Non-Executive Independent Director. The term of appointment of Mrs. Bhavna Saboo was effective from 14th August, 2018 up to 29th September, 2020. The same was approved by the shareholders, through ordinary resolution, at the 29th Annual General Meeting held on 28th September, 2018.

The Board on 29th August, 2020, based on the recommendations of the Nomination and Remuneration Committee and pursuant to the performance evaluation of Mrs. Bhavna Saboo as a member of the Board and considering that the continued association of Mrs. Bhavna Saboo would be beneficial to the Company, proposed to re-appoint Mrs. Bhavna Saboo as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a second term effective from 30th September, 2020 up to 29th September, 2025. Further, the Company has, in terms of Section 160(1) of the Act, received a notice in writing from a member proposing the candidature of Mrs. Bhavna Saboo for the office of Director.

The Company has received from Mrs. Bhavna Saboo (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Act, (iii) Declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') and (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that she has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

In terms of Section 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, and in terms of the applicable provisions of the Listing Regulations, each as amended, the re-appointment of Mrs. Bhavna Saboo as an Independent Director of the Company for a second term commencing from 30th September, 2020 up to 29th September, 2025, is being placed before the Shareholders for their approval by way of a special resolution. Mrs. Bhavna Saboo, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mrs. Bhavna Saboo is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the Listing Regulations, each as amended, and is independent of the Management of the Company. A copy of the draft letter of appointment of Mrs. Bhavna Saboo as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the Annual General Meeting ('AGM').

The profile and specific areas of expertise of Mrs. Bhavna Saboo are provided as annexure to this Notice.

None of the Directors or Managers or Key Managerial Persons of the Company or their relatives, except Mrs. Bhavna Saboo, to whom the resolution relates, are in any way deemed to be concerned or interested, financially or otherwise, in the resolution as set out in Item No. 5 of the Notice.

Your Directors recommend a Special Resolution as set out in Item no. 5 of the Notice for the approval of Members.

ITEM NO 6:

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, 2020:

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, 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. 6.

None of the Directors or Managers or Key Managerial Persons of the Company or their relatives, except Mr. R. L. Gupta and Mr. N. K. Gupta, are in any way deemed to be concerned or interested, financially or otherwise, in the resolution as set out in Item No. 6 of the Notice.

Mr. R. L. Gupta holds 16.75% shares in R. L. Steels & Energy Limited and 9.06% shares in Akar Industries Private Limited.

Mr. N. K. Gupta holds 8.23% shares in R. L. Steels & Energy Limited and 8.88% shares in Akar Industries Private Limited.

Your Directors recommend a Special Resolution as set out in Item no. 6 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. 2, 4 and 5 are as follows:

Name of Director	Mr. P.M. Nijampurkar	Mr. Sunil Todi	Mrs. Bhavana Saboo
DIN	01805132	00061952	03008960
Date of Birth	13/07/1958	02/04/1951	25/05/1967
Date of Appointment	01/04/2019	16/09/2015	14/08/2018
Qualification	MBA (HR)	CA, CS	CA
Experience	35 years of vast experience in steel industries, hand tools industries & forging industries in the field of Human Resource	30 years of vast experience in Auto Industry	25 years of experience in the field of finance and taxation
Expertise in specific functional area	Administration	Overall Management	Finance
List of other Directorship held in other listed companies	Nil	Nil	Nil
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director	Nil	Nil	Nil
No. of shares held in Company	Nil	40	Nil
Relationship between Directors inter-se	Nil	Nil	Nil

By order of the Board

Date: 29th August, 2020
Place: Aurangabad

Sd/-
MITESH GADHIYA
(Company Secretary)