



AKAR TOOLS LTD.
EMPOWERING YOU WITH EXCELLENCE

Akar Tools Limited
Annual report 2015-16

O Focussed
On growth

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Corporate Information

BOARD OF DIRECTORS

Shri. R.L. Gupta - *Chairman*

Shri Sunil Todi - *Managing Director*

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

Shri P. M. Nijampurkar - *Director*

Shri V K Chopra - *Independent Director*

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

Smt. Shilpa Sharma - *Independent Director*

COMPANY SECRETARY

Ms. Rajashree V. Dubey

CHIEF FINANCE OFFICER

Shri Radhamohan Garg

AUDITORS

M/s A. K. Bagadia & Co.

BANKERS

Canara Bank

REGISTERED OFFICE

304, Abhay Steel House

Baroda Street, Carnac Bunder

Mumbai - 400009.

ADMINISTRATIVE AND CORPORATE OFFICE

E-5, MIDC Area, Waluj

Aurangabad-431136

Maharashtra.

REGISTRAR & SHARE TRANSFER AGENTS

Big Share Services Pvt. Ltd.

E-2, Ansa Indl. Estate,

Sakivihar Road, Saki Naka, Andheri (e),

Mumbai-400072

FACTORY'S

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

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

Unit III : Gut No- 24-25, Paithan Road, Chitegaon,
Aurangabad, M.S- 431 107

Unit IV : Plot No G-45 & 46, MIDC, Chikalthana Jalna Road,
Aurangabad-431 210

Notice to Members

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

AS ORDINARY BUSINESS

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

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

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

AS SPECIAL BUSINESS:

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), and on the recommendation of Board of Directors, consent of the members be and is hereby accorded for the payment of remuneration of Rs. 45,000/- plus service tax and out of pocket expenses and on terms and conditions as may be mutually agreed between the Board of Directors and M/S B. R. Chandak & Associates, Cost Accountants, Cost Auditors of the Company for the financial year commencing from 1st April, 2016 till 31st March, 2017".

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

expressly by the authority of this resolution.

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

On behalf of the Board of Directors

Place: Aurangabad

Date: 12th August, 2016

CIN: L29220MH1989PLC052305

Website: www.akartoolsLtd.com

E-mail: corporate@akartoolsLtd.com

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

Rajashree V. Dubey

Company Secretary

NOTES FOR MEMBERS' ATTENTION

As Akar Tools Ltd, being a listed company and having more than 1000 shareholders, is compulsorily required to provide remote e-voting facility to members in terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 27th AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

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

per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Members/Proxies should bring the attendance slips duly filled-in for attending the meeting and deliver the same at the entrance of the meeting place. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2016 to 30th September, 2016 (both days inclusive).The dividend, if declared, will be paid to those members whose name appears on the Register of Members of the Company as on 24th September, 2016.
5. An explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Businesses to be transacted at the Annual General Meeting is attached hereto.
6. Members holding the shares in electronic form

- are advised to get their bank mandate updated with their respective Depository Participant as the bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend. Members holding the shares in physical form are requested to write to the Company for the registration or change of bank mandates for the payment of Dividend.
7. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company earlier.
 8. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding the shares in physical form can submit their PAN details to the Company.
 9. Members seeking further information about the accounts are requested to write atleast 7 days before the date of the meeting so that it may be convenient to get the information ready at the meeting.
 10. Members are requested to bring their copies of Annual Report to the meeting, as the same will not be supplied again at the meeting as a measure of economy.
 11. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company as required vide circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs and to avail remote e-voting facility in respect of the resolutions which would be passed at the General Meetings of the Company.
 12. Members are requested to send all their documents and communication pertaining to shares to Big Share Services Private Limited , Share Transfer Agent of the Company at their address E-2, Ansa Indl Estate, Sakivihar Road, Saki Naka, Andheri (e), Mumbai-400072, for both physical and demat segments of equity shares.
 13. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Big Share Services Pvt Ltd for their doing needful.
 14. Members are requested to notify change in address, if any, immediately to Big Share Services Pvt Ltd quoting their folio numbers.
 15. Members may also that the Notice of the 27th Annual General Meeting and the Annual Report 2015-16 will also be available on the Company's website www.akartoolsLtd.com 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.
 16. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the MCA circular, no gifts/coupons shall be distributed at the Meeting.
 17. **VOTING THROUGH ELECTRONIC MEANS:**
 - a. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Company (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an attentive mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 27th Annual General Meeting of the Company.
 - b. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Friday, 23rd September, 2016 (the "Cut-off Date") only shall be entitled to vote through remote e-voting and at the AGM. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on the Cut-off date.
 - c. At the venue of AGM, voting shall be done through ballot papers and the members attending AGM who have not casted their vote by remote e-voting shall be entitled to cast their vote through Ballot papers.

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

- (i) The voting period begins on 26th September, 2016 at 9.00 a.m and ends on 29th September, 2016 at 5.00 p.m During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (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 and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to

- share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- e. A copy of this notice has been placed on the website of the Company and the website of CDSL.
 - f. Shri Pankaj S Desai (COP No 4098), Practising Company Secretary has been appointed as Scrutinizer for conducting the e-voting process in a fair and transparent manner.
 - g. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot papers and thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within 24 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.
- V The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.akartoolsLtd.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE.

Explanatory Statement

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

ITEM NO 6:

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

On recommendation of Audit Committee, the Board at their meeting held on 12th August, 2016 has considered and approved appointment M/s B. R. Chandak & Co, Cost Accountants, for conducting of Cost Audit of all applicable products at a remuneration of Rs. 45,000/- (Rupees Forty Five Thousand Only) plus service tax as applicable for the Financial Year ending 31st March, 2017.

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

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

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

ITEM NO 7:

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

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

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

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

The material terms of appointment and remuneration are given below :

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