

ENGINEERING EXCELLENCE GROWTH

Akar Tools Limited | Annual Report, 2014-15



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, *Executive Director*

Shri V K Chopra, *Independent Director*

Capt Surendra Kumar Shukla IRS (retd), *Independent Director*

Smt. Shilpa Sharma, *Independent Director (Women Director) (w.e.f 31.03.2015)*

COMPANY SECRETARY

Rajashree Dubey

CHIEF FINANCE OFFICER

Shri Radhamohan Garg

AUDITORS

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

Ph. No. 022- 28473474 / 28473747 / 28470652.

ACROSS THE PAGES

Notice **01** Director's Report **11** Management Discussion & Analysis **28** Corporate Governance Report with Auditor's Certificate **30** Independent Auditors' Report **40** Balance Sheet **44** Profit & Loss Account **45** Cash Flow Statement **46** Notes to Financial Statements **48** Ballot Form **65** Form of Proxy **67** Attendance Slip **69**

NOTICE TO MEMBERS

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of Akar Tools Ltd will be held on 30th September, 2015 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 for the year ended 31st March, 2015 together with the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend for the Financial Year ended 31st March, 2015.
3. To appoint a Director in place of Shri. N. K. Gupta (holding DIN 00062268), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of Statutory Auditors to hold office from conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

AS SPECIAL BUSINESS:

5. 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 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), approval of the Board of Directors of the Company for the financial year ending 31st March, 2016 to M/s B. R. Chandak & Co . Cost Accountants, for conducting Cost Audit of all applicable products, be and is hereby ratified and confirmed.

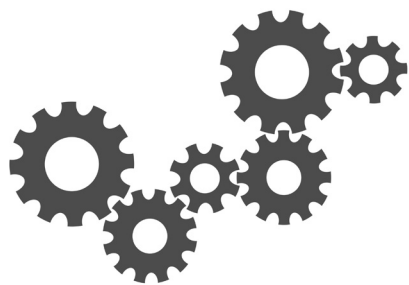
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. 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 Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for time being in force) read with Schedule IV to the Companies Act, 2013, Smt Shilpa Sharma (holding DIN No 07143207), who was appointed an Additional Director of the Company w.e.f. 31st March, 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 29th September, 2020 on the terms and conditions referred to in the explanatory statement of material fact annexed to the Notice."

7. To Consider and if thought fit, to pass with or without modifications, the following resolution:
(As a SPECIAL RESOLUTION)

"RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the re-appointment and remuneration of, Shri Sunil Todi (DIN:00061952) be and is hereby re-appointed as Managing Director of the Company for a period of Five years w.e.f 17.09.2015 to 18.09.2020 on the remuneration and terms and conditions as set out



AKAR TOOLS LIMITED

in the explanatory statement with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Shri Sunil Todi, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof;

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, pay to the Managing Director the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified in the explanatory statement annexed to the Notice convening this Meeting and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

8. To Consider and if thought fit, to pass with or without modifications, the following resolution:
(As a SPECIAL RESOLUTION)

"RESOLVED THAT in supersession of the ordinary resolution passed by the Members of the Company at the General Meeting, if any and pursuant to the

provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board"), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves subject to such aggregate borrowings not exceeding the amount which is Rs. 150 crore (One Hundred Fifty Crores only) over and above the aggregate of the paid-up share capital and free reserves of the Company that is to say, reserves not set apart for any specific purpose and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

9. To Consider and if thought fit, to pass with or without modifications, the following resolution:
(As a SPECIAL RESOLUTION)

"RESOLVED THAT in supersession of the ordinary resolution passed by the Members of the Company at General Meeting, if any and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the for creation of charge/mortgage/pledge/ hypothecation /security in addition to existing charges such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed/to be availed by the Company by way of loan(s) any, from time to time, subject to the limits approved under Section 180(1)(c) of the Act.

RESOLVED FURTHER THAT the securities to be created

by the Company as aforesaid may rank prior /pari passu /subservient with/to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents, deeds, writings and or agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

By the Order of the Board of Directors

Place : Aurangabad.

Date : 12th August, 2015

Rajashree Dubey
Company Secretary

NOTES FOR MEMBERS' ATTENTION:

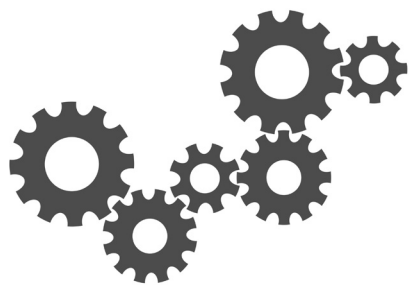
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

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.

The instrument appointing the proxy should, however, is

deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Notice.

2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2015 to 30th September, 2015 (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 30th September, 2015.
4. To support the 'Green Initiative', the Members who



AKAR TOOLS LIMITED

have not registered their e-mail addresses are requested to register the same with Registrars and Share Transfer Agent/Depositories.

5. Electronic copy of the Annual Report As part of the Green Initiative of the Ministry of Corporate Affairs, the members who wish to receive notice/documents through e-mail may kindly intimate their e-mail addresses to the Company's Compliance Officer at corporate@akartoolsltd.com.
6. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for a period of seven years from the date of transfer to unpaid Dividend Account of the company is credited to the Investor Education and Protection Fund (the IEPF). Accordingly, amounts have been transferred to the Investor Education and Protection Fund from time to time. All persons are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.
7. 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.
8. 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.
9. Members are requested to notify change in address, if any, immediately to Big Share Services Pvt Ltd quoting their folio numbers.
10. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name,

Transmission of shares and Transportation of Shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.

11. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. The Securities and Exchange Board Of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the Shareholders/ Depositories for depositing of dividends.
13. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report 2014-15 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.

VOTING THROUGH ELECTRONIC MEANS:

- I 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 26th Annual General Meeting of the Company.

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

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (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,

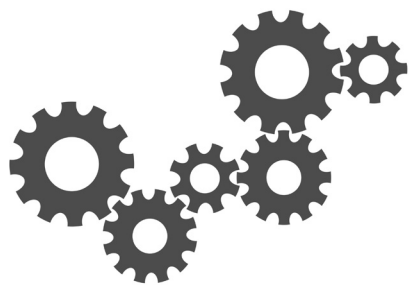
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, 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 (refer serial no. printed on the name and address sticker/ Postal Ballot Form/mail) 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 serial number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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



AKAR TOOLS LIMITED

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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If 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.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk. evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The voting period begins on 25th September, 2015 at 9:00 a.m. and ends on 26th September, 2015 at 11:00 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 20th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) 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.
- II A copy of this notice has been placed on the website of the Company and the website of CDSL.
 - III Shri Pankaj N Desai (COP No 4098), Practising Company Secretary has been appointed as Scrutinizer for conducting the e-voting process in a fair and transparent manner.
 - IV The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
 - 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.

VI For members who wish to vote through Ballot Forms:

- a. The Ballot Form is provided for the benefits of shareholders, who do not have access to remote E-Voting Facility.
- b. Pursuant to Clause 35B of the Listing Agreement who do not have access to remote E-voting facility, may exercise their right to vote on business to be transacted at the Annual General Meeting of the Company by submitting the Ballot Form enclosed to this Annual report.
- c. Shareholders may fill in the Ballot Form enclosed with the Annual report (no other form or photocopy of the form will be accepted) and send the same in a sealed envelope addressed to the Scutinizer, viz. Shri Pankaj Desai, Company Secretaries, C/o Akar Tools Ltd, 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai, so as to reach by 5.00 p.m on 29th September, 2015. The Ballot Form received thereafter will be strictly treated as not received.
- d. A Shareholder can opt for only one mode of voting

either through remote E-voting or by Ballot or by Poll. If a shareholder cast their votes by all modes, then voting done through remote E-voting shall prevail and the Ballot Form shall be treated as invalid.

- e. Shareholders who do not have access to E-Voting and intend to cast their votes through the Ballot Form should follow instructions as mentioned in Ballot Form.

VII. General Instruction:

Members, who have registered their E-mail addresses with the Company or their Depository Participant, are being sent the AGM Notice along with the Annual report, Attendance Slip, Proxy & Ballot Form by email and others are being sent by post.

By the Order of the Board of Directors

Place : Aurangabad.
Date : 12th August, 2015

Rajashree Dubey
Company Secretary

ANNEXURE TO THE NOTICE:

Explanatory Statement as required under Section 102 (1) of the Companies Act, 2013 & the Listing Agreement setting out all material facts relating to the Special Business:

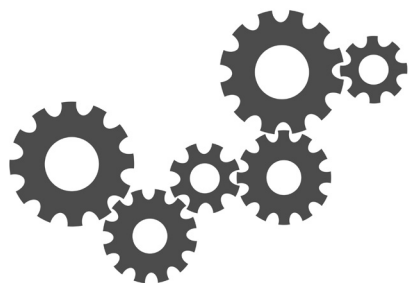
ITEM NO 5:

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

On recommendation of Audit Committee, the Board at their meeting held on 12th August, 2015 has approved appointment and fixed remuneration for M/s B. R. Chandak & Co, Cost Accountants, for conducting of Cost Audit of all applicable products for the Financial Year ending 31st March, 2016.

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.



AKAR TOOLS LIMITED

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 6:

Smt Shilpa Sharma has been appointed on 31st March, 2015 as an Additional Director by the Board of Directors of the Company, pursuant to the provisions of Article 121 of the Article of Association of the Company and Section 161 of the Companies Act, 2013. According to the provision of the said Article and the said section, she will hold office only up to the date of this Annual General Meeting.

In the opinion of the Board, Smt Shilpa Sharma fulfills the conditions specified in the Companies Act, 2013 and the rules made there under for her appointment as an Independent Director of the Company and is independent of the management. Copy of draft letter of appointment of Smt Shilpa Sharma as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

It is, therefore, in the Company's interest that the Company should continue to avail of her services as a member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Smt Shilpa Sharma as an Independent Director, for the approval by the shareholders of the Company.

Except Smt Shilpa Sharma, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in this item of the notice. This explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

ITEM NO: 07

The members at the Extra-Ordinary General Meeting held on 14th June, 2011 has approved the appointment of Shri Sunil Todi as Managing Director of the Company designated as "Managing Director " for a period of 5 years from 16th September, 2010 to 15th September, 2015, and remuneration

in the scale of ` Rs. 1,50,000 to Rs 3,00,000 p.m. The annual increment payable will be due on 01st September each year and will be determined by the Board of Directors on the recommendation of remuneration committee. The term of 5 years of Shri Sunil Todi is expiring on 15th September, 2015.

Considering the significant growth achieved by the Company and the ambitious growth plan for immediate future, the responsibilities borne by the Managing Director and the industry standards, the Board of Directors of the Company at its Meeting held on 12th August, 2015 has pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of members, approved re-appointment and remuneration of Shri Sunil Todi, as the Managing Director under the Companies Act, 2013 to be designated as Managing Director (MD) for a term of 5 years w.e.f. 16th September, 2015 to 15th September, 2020 (both days inclusive). The Managing Director shall also be a Key Managerial Personnel under Section 203 of the Companies Act, 2013.

The material terms of appointment and remuneration as contained in the draft Agreement are given below :

1. Period of appointment : Five years effective from 16th September, 2015.
2. Remuneration:
 - a) Basic Salary : As may be decided by Nomination and Remuneration Committee from time to time in the scale of Rs. 3,00,000 (Rupees Three lacs only) p.m. to Rs. 5,00,000 (Rupees Five lacs only) p.m.
3. Perquisites :
 - a) Medical reimbursement : Expenses incurred for self and family as per the Company's rule.
 - b) 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