



Akar Auto Industries Limited
Annual report 2020-21



Grit and
Determination

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Corporate Information

BOARD OF DIRECTORS

Late Mr. R. L. Gupta - *Non-Executive Chairman – upto 17.05.2021 (Demised on 18.05.2021)*

Mr. N. K. Gupta - *Non-Executive Chairman – w.e.f. 10.06.2021*

Mr. Sunil Todi - *Managing Director*

Mr. P. M. Nijampurkar - *Whole-Time Director*

Mr. B. R. Galgali - *Independent Director*

Mrs. Bhavana Saboo - *Independent Director*

Mr. Anil Kumar Gupta - *Independent Director*

Mr. Ulhas Gaoli - *Independent Director*

CHIEF FINANCIAL OFFICER

Mr. Pawan Gupta

COMPANY SECRETARY

Mr. Mitesh Gadhiya

BANKERS

Canara Bank

REGISTERED OFFICE

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

ADMINISTRATIVE AND CORPORATE OFFICE

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

FACTORIES

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

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

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

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

STATUTORY AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENTS

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

For any queries regarding Annual Report, contact:
Mr. Mitesh Gadhiya
Head, Legal & Secretarial
Akar Auto Industries Limited
E-5, MIDC Area, Waluj, Aurangabad, M.S -431136
Tel No. 0240-6647200
Fax No. 0240-2554640
E-Mail Id: corporate@akartoolsltd.com

Notice to Members

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Members of Akar Auto Industries Limited will be held on Thursday, 30th day of September 2021 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, 2021 together with Board's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Narendrakumar Gupta (holding DIN 00062268), 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 2021-22.**

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, 2022, on a remuneration of Rs. 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. **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 2020-21; 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 2021 to 31st March 2022	2,500.00
		Purchase of Raw Material		15,000.00
2	Akar Industries Private Limited	Purchase of Raw Material	1st April 2021 to 31st March 2022	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.

Date: 14th August, 2021
Place: Aurangabad

By order of the Board

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 and General Circular No.02/2021 dated 13th January, 2021 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 and circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 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 Circulars') 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 continuation of Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021

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 32nd AGM of the Company is being held through VC/OAVM on Thursday, 30th September, 2021 at 11.30 a.m. (IST).

The Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as

the e-voting system on the date of the AGM will be provided by CDSL.

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 and 4 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 22nd September, 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 22nd September, 2017.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7th May, 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 CIRCULARS, 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. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. In line with the General Circular No. 20/2020 dated 5th May 2020 and General Circular No.02/2021 dated 13th January 2021, issued by the MCA and the SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 are available on the Company's website viz. www.akartoolsLtd.com and may also be accessed from the relevant section of the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The Notice of AGM is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.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 20th September, 2021 to 26th September, 2021 (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 are being 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 20th September, 2021, 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 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.akartoolsld.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, 2013 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 2013-14 declared on 29th September, 2014, can be claimed by the Members by 28th September, 2021.

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, 2014 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.akartoolsld.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.akartoolsld.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 INSTRUCTIONS FOR MEMBERS FOR E-VOTING AND JOINING VIRTUAL MEETING ARE AS UNDER:

The remote e-voting period will begin on Monday, 27th September, 2021 at 9.00 a.m. and will end on Wednesday, 29th September, 2021 at 5.00 p.m. During this period, members of the Company holding shares either in physical form or dematerialized form as on Friday, 17th September, 2021 (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, 17th September, 2021 (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.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

(A) Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30