



# AKAR AUTO INDUSTRIES LTD.

**(Formerly known as Akar Tools Ltd.)**

E-5, M.I.D.C. Waluj, Aurangabad - 431 136 (M.S.) INDIA  
Phone : (0240) 6647200, Fax : 91-240-2554640,  
Web Site : [www.akartoolsltd.com](http://www.akartoolsltd.com),  
E-Mail : [factory@akartoolsltd.com](mailto:factory@akartoolsltd.com),  
CIN No.: L29220MH1989PLC052305



**Ref: AAIL/CS/32/2024**

To,  
Corporate Relations Department,  
Bombay Stock Exchange Limited,  
Phiroz Jeejeebhoy Tower,  
Dalal Street, Fort,  
MUMBAI – 400001

05<sup>th</sup> September, 2024

**Reference: Scrip Code: 530621. Scrip ID: AAIL**

**Subject: Submission pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:- Annual Report and Notice for 34th Annual General Meeting of the Members of the Company.**

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, enclosed herewith is the copy of Annual Report for the financial year 2023-24, being sent to the shareholders which contains the Notice of the 35<sup>th</sup> Annual General Meeting of the Company (AGM).

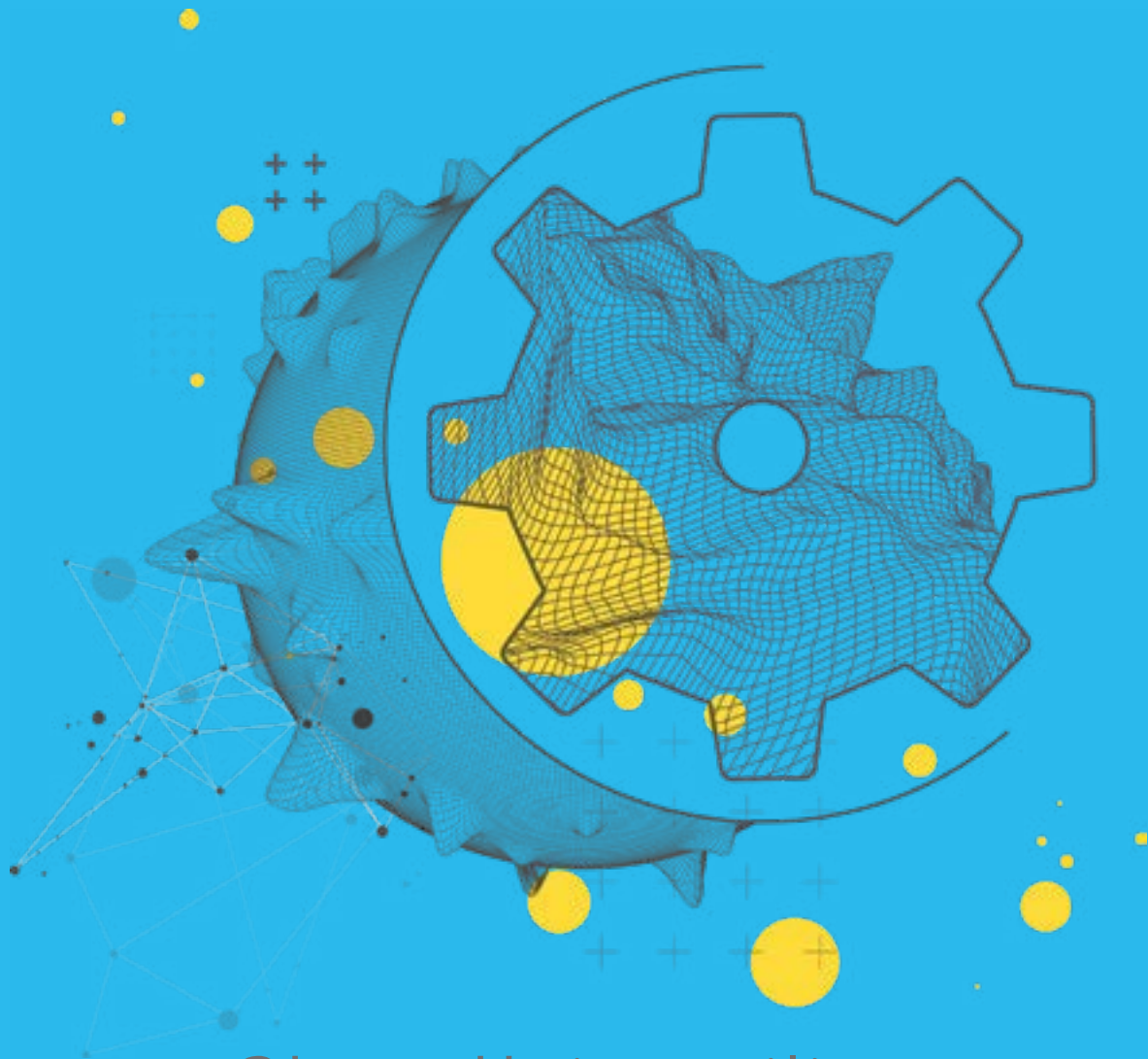
The 35<sup>th</sup> AGM of Members of the Company will be held on Monday, 30<sup>th</sup> September, 2024 at 11.30 a.m. (IST) through Video Conferencing ('VC')/ Other Audio Visual Means (OAVM) without physical presence of the members.

In compliance with Circulars Issued by Ministry of Corporate Affairs ('MCA Circulars') and Securities and Exchange Board of India ('SEBI Circulars'), Notice of AGM and Annual Report is being sent only by electronic mode to all the Members whose email addresses are registered with the Depository Participants or the Company. The Members can also access the Annual Report from the website of the Company <https://akarauto.com/>

Thanking You,  
Yours Sincerely,

**For Akar Auto Industries Limited**

**Radhyeshyam Rathi**  
**(Company Secretary)**



# Strength in resilience Excellence in engineering

Akar Auto Industries Limited  
Annual Report 2023-24

# Contents

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Corporate Information .....	1
Notice of 35th Annual General Meeting .....	2
Directors' Report.....	21
Corporate Governance Report .....	35
Management Discussion and Analysis.....	54
Independent Auditors' Report .....	65
Balance Sheet .....	74
Statement of Profit & Loss.....	75
Cash Flow Statement.....	76
Notes to Financial Statements .....	79

# Corporate Information

## BOARD OF DIRECTORS

Mr. N. K. Gupta - *Non - Executive Chairman*  
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 Kumar Gupta

## COMPANY SECRETARY

Mr. Radhyeshyam Rathi (W.e.f 14th August, 2023)

## BANKERS

Canara Bank  
HDFC Bank

## REGISTERED OFFICE

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

## ADMINISTRATIVE AND CORPORATE OFFICE

E-5, MIDC Area, Waluj  
Chh. Sambhaji Nagar (Aurangabad) - 431136,  
Maharashtra

## FACTORIES

**Unit I:** E-5, MIDC Area, Waluj, Chh. Sambhaji Nagar  
(Aurangabad), M.S – 431136

**Unit II:** C-5/6, MIDC Area, Waluj, Chh. Sambhaji Nagar  
(Aurangabad), M.S - 431136

**Unit III:** Gut No. 24-25, Paithan Road,  
Chitegaon, Chh. Sambhaji Nagar  
(Aurangabad), M.S – 431107

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

## STATUTORY AUDITORS

M/s GSA & Associates LLP  
Office No. A115,  
3rd Floor, Joshi Colony,  
IP Extn, Patpar Ganj,  
Delhi- 110092

## REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Private Limited.  
Office No. S6-2 6th Floor  
Pinnacle Business Park, Next to Ahura Centre  
Mahakali Caves Road, Andheri (East)  
Mumbai – 400093.

## For any queries regarding Annual Report, contact:

Mr. Radhyeshyam Rathi  
Legal & Secretarial  
Akar Auto Industries Limited  
E-5, MIDC Area, Waluj, (Aurangabad), M.S -431136  
Tel No. 0240-6647204/230  
Fax No. 0240-2554640  
E-Mail Id: corporate@akartoolsltd.com

# Notice

NOTICE is hereby given that the **35th Annual General Meeting** of the Members of **Akar Auto Industries Limited** will be held on **Monday, 30th day of September 2024 at 11.30 a.m.** IST through video conferencing ('VC') / other audio visual means ('OAVM') to transact the following business. The venue of the meeting shall be deemed to be the registered office of the Company at 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai – 400009, Maharashtra, India

## 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, 2024 together with Board's Report and Auditor's Report thereon.
2. To declare dividend for the Financial Year ended 31st March, 2024.
3. 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.

**Explanation:** Based on the terms of appointment, Non-Executive Directors (other than Independent Directors) are subject to retirement by rotation. Mr Narendrakumar Gupta, Non-Executive Non-Independent Director, who has been on the Board of the Company since its inception and whose office is liable to retire at this AGM, being eligible, seeks re-appointment. Based on the performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends his re-appointment.

Therefore, the shareholders are requested to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr Narendrakumar Gupta (DIN 00062268), who retires by rotation, be and is hereby re-appointed as a Director retiring by rotation."

4. To re-appoint M/s. GSA & Associates LLP, Chartered Accountants, Delhi (Firm Registration No: 000257N/N500339) as Statutory Auditors of the Company for a Period of One year and to fix their remuneration 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, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable (including any amendment(s), modification(s), or variations(s) thereto), approval of the members of the Company be and is hereby accorded for reappointment of M/s GSA & Associates LLP, Chartered Accountants, Delhi (Firm Registration No. 000257N/N500339) as Statutory Auditors of the Company to hold office for further consecutive term of one year from the conclusion of 35th Annual General Meeting until the conclusion of 36th Annual General Meeting of the Company at such remuneration plus reimbursement of out of pocket expenses as may be incurred by them in connection with the audit of accounts between the Board of Directors of the Company and the said Auditors, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take such actions and to do such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effects to this resolution."

## SPECIAL BUSINESS:

5. **Ratification of remuneration to Cost Auditor for the financial year 2024-25.**

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, 2025 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.”

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 applicable provisions of the Companies Act, 2013 (“the Act”) read with the rules framed thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force, if any), and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“SEBI Listing Regulations”), as amended from time to time, the Members of the Company do hereby accord approval to the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall be deemed to include any duly authorized Committee constituted /empowered by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and

/ or carrying out and / or continuing with existing contracts / arrangements/ transactions (whether individual transaction or transaction(s) taken together or series of transaction(s) or otherwise), with R. L. Steels & Energy Limited and Akar Industries Private Limited, being related parties of the Company, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier/ arrangements/transactions or as fresh and independent transaction(s) or otherwise during the financial year 2025-2026, as per the details set out in the explanatory statement annexed to this notice, notwithstanding the fact that the aggregate value of all these transaction(s), may exceed ₹1,000 Crores or 10% of the annual turnover as per the last audited financial statements of the Company, whichever is lower, or such other materiality threshold, as may be prescribed from time to time, provided however, that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at an arm’s length basis and in the ordinary course of business of the Company.”

“**RESOLVED FURTHER THAT** the Board be and is hereby severally authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ transactions, settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit, file requisite forms with the regulatory authorities and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any authorized person(s) to give effect to this resolution.”

**By order of the Board of Directors  
For Akar Auto Industries Limited**

Sd/-

**RADHYESHYAM RATHI**

(Company Secretary)

Membership No: ACS71989

Date: 14th August, 2024

Place: Chh. Sambhaji Nagar (Aurangabad)

## NOTES FOR MEMBERS' ATTENTION

1. The Government of India, Ministry of Corporate Affairs has allowed conducting Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the shareholders at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 5th May, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 21/2021 dated 14th December, 2021, Circular No. 02/2022 dated 5th May, 2022 and General Circular No. 09/2023 dated September 25, 2023 ("MCA Circulars"), Further Securities and Exchange Board of India ('SEBI'), vide its circular dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 6, 2023 and October 7, 2023 ('SEBI Circular') prescribing the procedures and manner of conducting the AGM through VC/OVAM. In terms of the said circulars, the 35th AGM of the shareholders will be held through VC/OAVM on Monday 30th Day of September 2024 at 11.30 a.m. IST. Hence, shareholders can attend and participate in the AGM through VC/OAVM only.
2. **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.**
3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. 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.
5. In line with MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories, unless any member has requested for the physical copy of the same. The Company shall send the physical copy of the Annual Report 2023-24 to those members who request the same at [corporate@akartoolsLtd.com](mailto:corporate@akartoolsLtd.com) mentioning the Folio No. / DP ID and Client ID. The Notice of AGM and Annual Report 2023-24 are available on the Company's website viz. <https://akarauto.com/annual-reports/> and may also be accessed from the relevant section of the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The Notice of AGM is also disseminated on the website of BIGSHARE (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [ivote@bigshareonline.com](mailto:ivote@bigshareonline.com).
6. 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](mailto:corporate@akartoolsLtd.com).

7. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2024 to 30th September, 2024 (both days inclusive).
8. The Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 (the Act) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('Secretarial Standard') is annexed hereto. Requisite declarations have been received from the Directors seeking re-appointment.
9. In terms of Section 152 of the Act, Mr. Narendrakumar Gupta (DIN: 00062268), Non-Executive Director, retiring by rotation at the 35th AGM and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended for his re-appointment as set out at item No 3 of this Notice.
10. 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).
11. Members who have not encashed their dividend warrants are advised to write to the Company immediately for claiming dividends declared by the Company earlier.
12. 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.
13. 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.
14. Members seeking further information about the accounts are requested to write to the Company at [corporate@akartools.com](mailto:corporate@akartools.com) on or before 20th September, 2024, so that it may be convenient to get the information ready at the meeting.
15. 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.
16. Members are requested to send all their documents and communication pertaining to shares to Company's RTA; M/s Bigshare Services Private Limited, Office No. S-6 6th Floor, Pinnacle Business Park, Next to Ahura centre Mahakali Caves Road Andheri (E), Mumbai-400093. For both physical and Demat segments of equity shares.
17. 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.
18. Book Closure and Dividend:
  - (i) The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2024 to 30th September, 2024 (both days inclusive), for the purpose of Dividend and AGM.  
  
The dividend of ₹0.60/- per share (i.e. 12%) on the Equity Shares of the Company of ₹5/- each, if declared at the AGM, will be paid subject



to deduction of income tax at source ('TDS'), as applicable, on or before Tuesday, 29th October, 2024 as under:

For Shares held in electronic form: To all the Beneficial Owners as at the end of the day on Friday, 20th September, 2024 as per the list of Beneficial Owners to be furnished by NSDL and Central Depository Services (India) Limited ('CDSL'); and

For Shares held in physical form: To all the Members, whose names appears in the Company's Register of Members after giving effect to valid transmission and transposition requests lodged with the Company as of the close of business hours on Friday, 20th September, 2024.

- (ii) Dividend income is taxable in the hands of the Shareholders and the Company is required to deduct TDS from dividend paid to the Members at rates prescribed in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ('PAN'), Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company/ Bigshare Services Private Limited, Registrar and Transfer Agent ('Registrar' or 'RTA' or 'Bigshare').

Further, as per the Finance Act 2021, Section 206AB has been inserted w.e.f. July 1, 2021 wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a 'Specified Person' defined under the provisions of the aforesaid section.

The exemption forms viz – Form 15H/ Form 15G/ Form 10F, treaty exemption documents and format of Declarations, as required to be provided by Resident/Non-Resident shareholders (Individuals/Non Individual) for availing the exemption accordingly.

**SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/ CIR/2021/655 dated November 3, 2021 (subsequently amended by Circular Nos. SEBI/HO/**

**MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/ MIRSD-PoD1/P/CIR/2023/37 dated March 16, 2023 and SEBI/ HO/MIRSD/ POD-1/P/CIR/2023/181 dated November 17, 2023) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.**

- (iii) Updation of mandate for receiving dividends directly in bank account through Electronic Clearing System or any other means in a timely manner:

Shares held in physical form: Members are requested to send the following documents in original to Bigshare latest by Friday, 13th September, 2024:

- a. Form ISR-1 along with the supporting documents. The said form is available on the website of the Company at <https://akarauto.com/investor-contact/>
- b. original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:-
  - i) cancelled cheque in original.
  - ii) bank attested legible copy of the first page of the Bank Passbook / Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and the full address of the Bank branch.
- c. self-attested photocopy of the PAN Card of all the holders; and
- d. self-attested photocopy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

Shares held in electronic form: Members may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not be able to accede to any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in Demat form are requested to ensure that their DPs update their Electronic Bank Mandate by Friday, 13th September, 2024.

Further, please note that instructions, if any, already given by the Members in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.

19. 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 at <https://akarauto.com/> under the 'Investor Contact'. 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.
20. In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Members holding shares of the Company in physical form are requested to kindly get their shares converted into Demat/electronic form to get inherent benefits of Dematerialization.

Further, Members may please note that SEBI vide its Circular dated 25th January, 2022 mandated listed companies to issue securities in Demat form only while processing any service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation

of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of the Company at <https://akarauto.com/investor-contact/>.

21. Members are hereby informed that 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, 2016 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 2016-17 declared on 22nd September, 2017, can be claimed by the Members by 21st September, 2024.

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

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

In order to help Members to ascertain the status of unclaimed dividends, the Company has uploaded the information in respect of unclaimed dividends for the financial year ended 31st March, 2017 and subsequent years on the website of Investor Education and Protection Fund, [www.iepf.gov.in](http://www.iepf.gov.in) and under 'Investor' Section on the website of the Company, <https://akarauto.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 <https://akarauto.com/> under 'Investor' section.

22. Process and manner for shareholders opting for voting through Electronic means:

- (i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 14th December, 2021, 5th May, 2022 and 28th December, 2022 and General Circular dated 25th September, 2023, the Company is providing facility of remote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Bigshare Services Private Limited, as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a shareholder using remote e-voting as well as e-voting system on the date of the AGM will be provided by Bigshare.
- (ii) Shareholders whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Friday, 20th September, 2024, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

- (iii) A person who has acquired the shares and has become a shareholder of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Friday, 20th September, 2024, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or venue voting system on the date of the AGM by following the procedure mentioned in this part.

- (iv) The remote e-voting will commence on Friday, 27th September, 2024 at 9.00 a.m. and will end on Sunday, 29th September, 2024 at 5.00 p.m. During this period, the shareholders of the Company holding shares either in physical form or in Demat form as on the Cut-off date i.e. Friday, 20th September, 2024 may cast their vote electronically. The shareholders will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by Bigshare thereafter.

- (v) Once the vote on a resolution is cast by the Shareholder, he/she shall not be allowed to change it subsequently or cast the vote again.

- (vi) The voting rights of the shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date i.e. Friday, 20th September, 2024.

- (vii) The Company has appointed CS Nitin S. Sharma, Practising Company Secretary (Membership No. FCS: 8418; CP No: 9761), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

23. Process for those shareholders whose email ids are not registered:

- (a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at email id [corporate@akarauto.com](mailto:corporate@akarauto.com)

- (b) For Demat shareholders - Please update your e-mail id and mobile no. with your respective Depository Participant (DP) only. The registered e-mail address will be used for sending future communications.
24. Members are informed that SEBI vide its circular dated July 31, 2023, launched Online Resolution of Disputes (ODR Portal) at <https://smartodr.in/> login for dispute resolution for disputes between a listed company and its shareholder(s)/ investor(s), all disputes pertaining to or emanating from investor services such as transfer/ transmission of shares, demat/ remat, issue of duplicate shares, transposition of holders, etc. and investor entitlements like corporate benefits, dividend, bonus shares, rights entitlements, credit of securities in public issue, interest /coupon payments on securities, etc.

Member are also informed that SEBI Circular No. SEBI/ HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/70 dated May 25, 2022 on Simplified Procedure and Standardizations on Formats for Issuance of Duplicate Securities Certificates in demat Mode, in order to make issuance of duplicate securities more efficient and investor friendly, the procedure and documentation requirements for issuance of duplicate securities has been further simplified. The requirements are; (a) Submission by the security holder of copy of FIR including e-FIR/Police complaint/Court injunction order/copy of plaint (where the suit filed has been accepted by the Court and Suit No. has been given), necessarily having details of the securities, folio number, distinctive number range and certificate numbers. (b) Issuance of advertisement regarding loss of securities in a widely circulated newspaper. (c) Submission of Affidavit and Indemnity bond as per the format prescribed by the Board. (d) There shall be no requirement of submission of surety for issuance of duplicate securities

SEBI further clarified that there shall be no requirement to comply with (a) and (b) of the above, if the value of securities as on the date of submission of application, along with complete documentation as prescribed by the Board does not exceed ₹5 lakh. New formats have been prescribed which

are to be submitted by the Claimant/Shareholders duly completed. After verifying and processing the documents issuing a Letter of Confirmation ("LOC") within 120 days of issue of the LOC, the claimant(s) shall submit the demat request, along with the original LOC or the digitally signed copy of the LOC, in case no such request has been received by the RTA /issuer company the securities are required to be credited to Suspense Escrow Demat Account.

25. Mandatory update of PAN, KYC and Nomination details and linking of PAN and Aadhaar by holders of physical shares: SEBI vide its Circular dated November 03, 2021, December 14, 2021 and March 16, 2023 has made it mandatory for the shareholders holding shares in physical form to furnish PAN, KYC details and Nomination in the prescribed forms to the RTA of the Company. In case of failure to provide required documents and details as per the aforesaid Circular, all folios of such shareholders shall be frozen on or after October 1, 2023 by the RTA. Further, any payment including dividend, interest or redemption payment in respect of such frozen folios, only through electronic mode with effect from April 1, 2024, and such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as of December 31, 2025.

In compliance with the above stated Circular, the Company has sent individual communication to its shareholders holding shares in the physical form requesting them to update their PAN, KYC details and Nomination. In order to avoid freezing of folios, such members are requested to furnish details in the prescribed form as mentioned in the aforesaid SEBI circular along with the supporting documents, wherever required, to our RTA- Bigshare Services Private Limited, Registrar and Share Transfer Agent, for immediate action.

In case of any query / assistance, members are requested to contact our RTA- M/s Bigshare Services Private Limited, Office No. S-6 6th Floor, Pinnacle Business Park, Next to Ahura centre Mahakali Caves Road Andheri (E), Mumbai-400093 or through email at [investor@bigshareonline.com](mailto:investor@bigshareonline.com).

**THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- The voting period begins on Friday, 27th September, 2024 at 9.00 a.m. and ends on Sunday, 29th September, 2024 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 i.e. Friday, 20th September, 2024 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- 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.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ul style="list-style-type: none"> <li>• 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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>• 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 BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly.</li> </ul>

<b>Type of shareholders</b>	<b>Login Method</b>
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.</li> </ul>
<b>Individual Shareholders holding securities in Demat mode with NSDL</b>	<ul style="list-style-type: none"> <li>• 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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. 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 BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ul>
<b>Individual Shareholders (holding securities in Demat mode) login through their Depository Participants</b>	<p>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 &amp; voting during the meeting.</p>

**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 <b>CDSL</b>	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 <b>NSDL</b>	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

Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>

Click on "LOGIN" button under the 'INVESTOR LOGIN' section to Login on E-Voting Platform.

Please enter you 'USER ID' (User id description is given below) and 'PASSWORD' which is shared separately on you register email id.

- Shareholders holding shares in CDSL Demat account should enter 16 Digit Beneficiary ID as user id.
- Shareholders holding shares in NSDL Demat account should enter 8 Character DP ID followed by 8 Digit Client ID as user id.
- Shareholders holding shares in physical form should enter Event No + Folio Number registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on I AM NOT A ROBOT (CAPTCHA) option and login.

NOTE: If Shareholders are holding shares in Demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on 'LOGIN' under 'INVESTOR LOGIN' tab and then Click on 'Forgot your password?'
- Enter "User ID" and "Registered email ID" Click on I AM NOT A ROBOT (CAPTCHA) option and click on 'Reset'.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

**Voting method for shareholders on i-Vote E-voting portal:**

- After successful login, Bigshare E-voting system page will appear.
- Click on "VIEW EVENT DETAILS (CURRENT)" under 'EVENTS' option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on "VOTE NOW" option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option "IN FAVOUR", "NOT IN FAVOUR" or "ABSTAIN" and click on "SUBMIT VOTE". A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.

- Shareholder can “CHANGE PASSWORD” or “VIEW/ UPDATE PROFILE” under “PROFILE” option on investor portal.

**Custodian registration process for i-Vote E-Voting Website:**

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “REGISTER” under “CUSTODIAN LOGIN”, to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with “User id and password will be sent via email on your registered email id”.

NOTE: If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘LOGIN’ under ‘CUSTODIAN LOGIN’ tab and further Click on ‘Forgot your password?’
- Enter “User ID” and “Registered email ID” Click on I AM NOT A ROBOT (CAPTCHA) option and click on ‘RESET.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

**Voting method for Custodian on i-Vote E-voting portal:**

- After successful login, Bigshare E-voting system page will appear.

**Investor Mapping:**

- First you need to map the investor with your user ID under “DOCUMENTS” option on custodian portal.
- Click on “DOCUMENT TYPE” dropdown option and select document type power of attorney (POA).
- Click on upload document “CHOOSE FILE” and upload power of attorney (POA) or board resolution for respective investor and click on “UPLOAD”.

Note: The power of attorney (POA) or board resolution has to be named as the “InvestorID.pdf” (Mention Demat account number as Investor ID.)

- Your investor is now mapped and you can check the file status on display.

**Investor vote File Upload:**

- To cast your vote select “VOTE FILE UPLOAD” option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “UPLOAD”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can “CHANGE PASSWORD” or “VIEW/ UPDATE PROFILE” under “PROFILE” option on custodian portal.

**Helpdesk for queries regarding e-voting:**

Login Type	Helpdesk details
Shareholder’s other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-Voting module available at <a href="https://ivote.bigshareonline.com">https://ivote.bigshareonline.com</a> , under download section or you can email us to <a href="mailto:ivote@bigshareonline.com">ivote@bigshareonline.com</a> or call us at: 1800 22 54 22



### **Procedure for joining the AGM/EGM through VC/ OAVM:**

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, Bigshare E-voting system page will appear.
- Click on "VIEW EVENT DETAILS (CURRENT)" under 'EVENTS' option on investor portal.
- Select event for which you are desire to attend the AGM/EGM under the dropdown option.
- For joining virtual meeting, you need to click on "VC/OAVM" link placed beside of "VIDEO CONFERENCE LINK" option.
- Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

### **The instructions for Members for e-voting on the day of the AGM/EGM are as under:-**

- The Members can join the AGM/EGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM/EGM.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the **AGM/EGM**.

### **Helpdesk for queries regarding virtual meeting:**

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at <https://ivote.bigshareonline.com>, under download section or you can email us to [ivote@bigshareonline.com](mailto:ivote@bigshareonline.com) or call us at: 1800 22 54 22.

**By order of the Board of Directors  
For Akar Auto Industries Limited**

**Sd/-**

**RADHYESHYAM RATHI**

(Company Secretary)

Membership No: ACS71989

Date: 14th August, 2024

Place: Chh. Sambhaji Nagar (Aurangabad)

**Contact Details:**

<b>Company</b>	Akar Auto Industries Limited Regd. Office: 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai – 400009, Maharashtra, India CIN: L29220MH1989PLC052305 Email: corporate@akartoolsltd.com
<b>Registrar and Transfer Agent</b>	Bigshare Services Private Limited Office No. S6-2 6th Floor, Pinnacle Business Park, Next to Ahura Centre Mahakali Caves Road, Andheri East, Mumbai-400093 E-mail: investor@bigshareonline.com
<b>E-voting Agency</b>	Bigshare Services Private Limited E-mail: ivote@bigshareonline.com Phone: 1800 22 54 22
<b>Scrutinizer</b>	CS Nitin S. Sharma Practising Company Secretary E-mail: nitinsharmafcs@gmail.com

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

### ITEM NO 4:

As regards to the Re-appointment of Statutory Auditor referred in Item no. 4 of the Notice, following necessary disclosures are made for the information of the Members.

The members at the Thirty Fourth Annual General Meeting of the Company held on 22nd September, 2023, had approved re-appointment of M/s GSA & Associates LLP, Chartered Accountants, Delhi (Firm Registration No. 000257N/N500339), as the Statutory Auditors of the Company to hold office from the conclusion of the Thirty Fourth AGM till the conclusion of the Thirty Fifth AGM of the Company to be held in the year 2024.

After evaluating and considering various factors the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the reappointment of GSA & Associates, as the Statutory Auditors of the Company for One year from the conclusion of Thirty Fifth AGM till the conclusion of Thirty Sixth AGM of the Company to be held in the year 2025.

Details as required pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 are as under:

- **Proposed Statutory audit fees payable to auditors**  
₹2.40 Lakhs as statutory audit fees for the year ending 31st March, 2025, excluding the out of pocket expense paid by the auditors.
- **Terms of appointment**  
1 year from the conclusion of 35th Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2025.
- **Material change in fee payable**  
There is no material change in the proposed fees for the auditors
- **Basis of recommendation and auditors credentials**  
The recommendation are based on the fulfilment of the eligibility criteria prescribed in the Companies Act, 2013.

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. 4 of the Notice.

Yours Directors recommend an Ordinary Resolution as set out in item No.4 of the Notice for the approval of Members.

### 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 13th February, 2024 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, 2025.

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. 5 of the Notice.

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

### ITEM NO 6:

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

(Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of Members by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. A transaction with a related party shall be considered as material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ₹1,000 crores, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

In the financial year 2025-26, the related party transactions as mentioned below, in the aggregate, are expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions to be undertaken by the Company. All the transactions to be entered into would be in the ordinary course of business of the Company and on an arm's length basis.

The Company proposes to enter into transactions with its related party mentioned in Resolution at Item no. 6 of the Notice, during the financial year 2025-2026, as per the terms and conditions as mutually agreed upon between the parties. The Audit Committee of the Company has approved the said related party transactions at its meeting held on 14th August, 2024 and has noted that although the proposed related party transactions are in the ordinary course of business of the Company and shall be entered into at an arm's length basis, they may, in aggregate, cross the applicable materiality thresholds as mentioned above.

Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions to be undertaken by the Company.

Your Board of Directors considered the same and recommends passing of the resolution contained in Item No. 6 of the accompanying Notice.

Information required under Regulation 23 of SEBI Listing Regulations read with SEBI Circular dated 22nd November, 2021 is provided herewith:

i.	Name of the Related Party	1. R. L. Steels & Energy Limited 2. Akar Industries Private Limited
ii.	Type of transaction	<b>R. L. Steels &amp; Energy Limited:</b> 1. Purchase of raw material 2. Sale of goods/ scrap/ others  <b>Akar Industries Private Limited:</b> 1. Purchase of raw material 2. Sale of goods/ scrap/ others
iii.	Material terms and particulars of the proposed transaction	Material terms and conditions inter alia include the rates which are based on prevailing market price and commercial terms at the time of entering into transactions.
iv.	Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise)	<b>R. L. Steels &amp; Energy Limited:</b> A public company in which, Mr. Narendrakumar Gupta, Director of the Company is a director and holds more than two per cent of its paid-up share capital.  <b>Akar Industries Private Limited:</b> A private company in which, Mrs. Usha Narendrakumar Gupta, relative of Mr. Narendrakumar Gupta, Director of the Company is a member and also a director.
v.	Tenure of the proposed transaction	During the financial year 2025-2026

vi.	Value of the proposed transaction	<p><b>R. L. Steels &amp; Energy Limited:</b></p> <ol style="list-style-type: none"> <li>1. Purchase of raw material up to ₹200 Crores</li> <li>2. Sale of goods/ scrap/ others up to ₹30 Crores</li> </ol> <p><b>Akar Industries Private Limited:</b></p> <ol style="list-style-type: none"> <li>1. Purchase of raw material up to ₹60 Crores</li> <li>2. Sale of goods up to ₹60 Crores</li> </ol>
vii.	Value of RPT as % of Company's audited annual turnover of ₹373.82 Crores for the financial year 2023-2024	<p><b>For R. L. Steels &amp; Energy Limited:</b></p> <p>RPT for FY 2025-2026: Purchase of raw material approximately 53.50% Sale of goods/ scrap/ others approximately 8.02%</p> <p>RPT for FY 2023-2024: The value of RPT as % of Company's audited annual turnover for F.Y. 2023-2024 was approximately 20.67% for purchase of raw material and is approximately 5.23% for sale of goods/ scrap/ others.</p> <p>RPT for FY 2022-23: The value of RPT as % of Company's audited annual turnover for F.Y. 2022-2023 was 22.39% for purchase of raw material and was 4.43% for sale of goods/ scrap/ others.</p> <p><b>For Akar Industries Private Limited:</b></p> <p>RPT for FY 2024-2025: Purchase of raw material approximately 16.05% Sale of goods approximately 16.05%</p> <p>There were no transaction with respect to purchase of raw material or sale of goods from Akar Industries Private Limited in the previous year.</p>
viii.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
	(i) Details of financial indebtedness Incurred	Not Applicable
	(ii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable

	(iii) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction	Not Applicable
ix.	Justification as to why the RPT is in the interest of the Company.	<p>R. L. Steels &amp; Energy Limited is one of the leading alloy steel manufacturing company in western India. It has steel manufacturing plant in Chh. Sambhaji Nagar (Aurangabad), Maharashtra, a same city in which the Company has its manufacturing plants, therefore, procuring raw material from R. L. Steels &amp; Energy Limited helps the Company to save on transportation cost and also in delivery period as compared to other suppliers. These transactions are in normal course of business of the Company and at an arm's length basis.</p> <p>Akar Industries Private Limited is one of the group companies of R L Group of companies which operates from Chh. Sambhaji Nagar (Aurangabad), Maharashtra, a same city in which the Company has its manufacturing plants, therefore, procuring raw material from Akar Industries Private Limited will help the Company to save on transportation cost and also in delivery period as compared to other suppliers. These transactions are in normal course of business of the Company and at an arm's length basis.</p>
x.	Copy of the valuation or other external party report, if any such report has been relied upon.	Not Applicable
xi.	Any other information relevant or important for the members to take a decision on the proposed transaction.	Nil

The Members may please note that in terms of provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not) shall not vote to approve the ordinary resolution at Item No. 6 of the accompanying Notice.

Except Mr. Narendrakumar Gupta, 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. 6 of the Notice.

**Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief profile of Director, eligible for appointment / re-appointment vide Item no. 2 is as follows:**

<b>Name of Director</b>	<b>Mr. Narendrakumar Gupta</b>
DIN	00062268
Date of Birth	31/03/1959
Date of Appointment	21/06/1989
Qualification	Graduate
Experience	43 plus years of vast experience in steel industries, hand tools industries & forging industries
Expertise in specific functional area	Production and Administration
Directorship held in other listed companies	Nil
Chairman/ Member of the Committees of the Board of other listed Companies	Nil
No. of shares held in Company (including as beneficial owner)	49,75,746
Relationship between Directors inter-se	Nil

**By order of the Board of Directors  
For Akar Auto Industries Limited**

Date: 14th August, 2024  
Place: Chh. Sambhaji Nagar (Aurangabad)

**Sd/-  
RADHYESHYAM RATHI**  
(Company Secretary)  
Membership No: ACS71989

# Directors' Report

To  
The Members,

Your directors have pleasure in presenting the 35th Annual Report on the business and operations of Company and the financial accounts for the year ended 31st March 2024

## FINANCIAL HIGHLIGHTS

The financial highlights of your Company, for the year ended 31st March, 2024 are summarized below:

Particulars	(₹ in Lakhs)	
	31st March 2024	31st March 2023
Net Revenue from Operations	37381.84	36706.67
Other Income	23.67	18.02
Profit before Tax and Exceptional Items	890.81	829.13
Exceptional Items	0.00	0.00
Profit before Tax	890.81	829.13
Tax	341.59	141.49
Profit After Tax	549.22	687.94
<b>Movement in Retained Earnings</b>		
Balance Brought Forward	2648.69	1989.84
Add: Profit after Tax	549.22	687.94
Add: Other Comprehensive Income	(4.78)	20.91
Less: Dividend	(53.94)	0.00
Less: Dividend Tax	0.00	0.00
Less: Transfer to General Reserve	(50.00)	(50.00)
Balance Carried Forward	3089.19	2648.69

## COMPANY'S PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

The Company recorded net revenue from operations of ₹37,381.84 Lakhs in FY 2023-24, 1.839% higher than ₹36,706.67 Lakhs in FY 2022-23. The Profit before Tax for FY 2023-24 was ₹890.81 Lakhs as compared to Profit before Tax of ₹829.13 Lakhs for FY 2022-23. The Profit after Tax for FY 2023-24 was ₹549.22 Lakhs as compared to Profit after Tax of ₹687.94 Lakhs for FY 2022-23.

## DIVIDEND

The Board of Directors have recommended a dividend of 12% i.e. ₹0.60/- per share (Previous Year ₹0.50/- per share) on 1,07,88,010 equity shares of ₹5/- each for the year ended 31st March, 2024. The dividend on equity shares, if approved by the Members would involve a total outflow of ₹64.72 Lakhs (Previous Year ₹53.94 Lakhs).



## FINANCIAL STATEMENTS

Full version of the Annual Report 2023-24 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, Corporate Governance Report) are being sent via email to all shareholders who's email address are registered with Company.

Full version of Annual Report 2023-24 is also kept open for inspection by any member. The members who wants to inspect the Annual Report, can send an email to corporate@akartoolsld.com upto the date of ensuing Annual General Meeting (AGM). The Annual Report is also available at the Company's website at <https://akarauto.com/>.

## SHARE CAPITAL

The paid up equity share capital as on 31st March, 2024 was ₹5,39,40,050/- divided into 1,07,88,010 equity shares of face value of ₹5/- each. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares, and has not granted any stock options.

## TRANSFER TO RESERVES

(₹ in Lakhs)

Particulars	Amount as on 31st March, 2024
<b>General Reserve:</b>	
Balance as per last financial statements	416.97
Add: Amount transferred from P&L Account	50.00
Closing Balance	466.97

## INVESTOR EDUCATION AND PROTECTION FUND

During the year, your Company transferred the unclaimed and un-encashed dividends for the year 2015-16 amounting to ₹97,067/- Further Dividend which was declared by the Company for the year ended 31st March, 2017 at the Annual General Meeting held on 22nd September, 2017 and remain unclaimed will be transferred to the Investor Education and Protection

Fund (IEPF) of the Central Government pursuant to the provisions of Companies Act, 2013. The last date for claiming the dividend is 21st September, 2024. Thereafter, no claim shall lie on dividend for the year ended 31st March, 2017 from the shareholders.

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

## SUBSIDIARIES

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

## CREDIT RATING

The rating committee of Infomarcis Valuation and Rating Private Limited has assigned a long term credit rating of IVR BBB- (pronounced as IVR Triple B Minus) as against long term credit rating of IVR BBB- of previous year and a short term credit rating of IVR A3 (pronounced as IVR A Three) as against short term rating of IVR A3 of previous year to the line of credit facility enjoyed by the Company. The outlook on the long term and short term rating is stable.

## PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES

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

The statements required under Section 197 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Rules'), as amended, form part of this Report and will be made available to any Member on request, as prescribed therein.

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

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in ANNEXURE II which forms part of this Report.

## STATUTORY AUDITORS

In the 34th Annual General Meeting of the Company held on 22nd September, 2023, M/s. GSA & Associates LLP, Chartered Accountants, Delhi (Firm Registration No.000257N/N500339), were re-appointed as the Statutory Auditors of the Company to hold office until the conclusion of the 35th Annual General Meeting. The term of M/s GSA & Associates, Chartered Accountants, as Statutory Auditors, expires at the conclusion of the ensuing annual general meeting.

Board of Directors at its meeting held on 14th August, 2024, based on the recommendation of the Audit Committee has recommended the re-appointment of M/s. GSA & Associates LLP, Chartered Accountants, Delhi (Firm Registration No.000257N/N500339) as the Statutory Auditors of the Company.

M/s. GSA & Associates LLP, Chartered Accountants, have consented to the said appointment and confirmed that their reappointment, if made, would be within, the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of Section 143 of the Act.

M/s. GSA & Associates LLP, Chartered Accountants, will be appointed as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the 35th Annual General Meeting to be held in the year 2024, on a remuneration, out of pocket expenses etc., incurred in connection with the audit as may be decided by the Board in consultation with the auditors.

The members are therefore requested to appoint M/s. GSA & Associates LLP, Chartered Accountants, as statutory auditors of the Company for a term of 1 (One) year from the conclusion of the ensuing Annual General Meeting till the conclusion of the 36th Annual General Meeting, to be held in 2025.

The Independent Auditors Report, by M/s. GSA & Associates LLP, Chartered Accountants, for the financial year ended 31st March, 2024 does not contain any adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

## SECRETARIAL AUDITORS

As per the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed M/s Nitin S. Sharma & Associates (CP No. 9761), Practising Company Secretaries, Chh. Sambhaji Nagar (Aurangabad). to undertake the Secretarial Audit of the Company for the Financial Year 2023-24. The Secretarial Audit Report in Form No MR-3 for the Financial Year 2023-24 is annexed herewith as ANNEXURE III and forms a part of this report. The Secretarial Audit Report does not contain any adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Pursuant to SEBI Circular dated 8th February, 2019, a report on Secretarial Compliance by M/s Nitin S. Sharma & Associates (CP No. 9761), Practising Company Secretaries, Chh. Sambhaji Nagar (Aurangabad). , for the financial year ended 31st March, 2024 has been submitted with the Stock Exchange.

## COST AUDITORS

As per the provisions of Section 148 (3) of the Companies Act, 2013, the Board of Directors of the Company had appointed M/s B R Chandak & Co. (Registration No. 21959), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended 31st March 2024. The Cost Auditor has submitted its report for the financial year 2023-24 to the Board of Directors and the same has been approved by the Board of Directors in their meeting held on 14th August, 2024. A proposal for ratification of remuneration of the Cost Auditors for the financial year 2024-25 is placed before the shareholders for ratification / approval.

The Cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of the Act.

## ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEM

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

Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. The Company has a well-placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Internal Auditors are an integral part of the internal control system of the Company. To maintain its objective and independence, the Internal Auditors report to the Audit Committee of the Board. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company.

## DIRECTORS

### Appointment/Reappointment

The Board on recommendations of Nomination and Remuneration Committee and in accordance with the provisions of the Act and SEBI Listing Regulations has re-appointed Mr Bhimsen Galgali (DIN: 08074906) as a Non-Executive Independent Director on the Board for a second term from 1st June, 2023 to 28th February, 2028, the Members have approved the said re-appointment by passing a special resolution by way of postal ballot.

### Director retiring by rotation:

Mr Narendrakumar Gupta (holding DIN: 00062268) retires by rotation under Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment. The brief resume of Mr Narendrakumar Gupta, the nature of his expertise in specific functional areas, names of the companies in which he has held directorships, committee memberships / chairmanships, his shareholding etc. are furnished in the explanatory statement to the notice of the ensuing AGM.

### Declaration by Independent Directors:

Your Company has received declarations from Mr B. R. Galgali, Mrs Bhavna Saboo, Mr Anil Kumar Gupta and Mr Ulhas Gaoli, Independent Directors, under provisions of Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided under sub-section (6) of Section 149 of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their ability duties with an objective independent judgement and without any

external influence. The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in the Act as well as the Rules made thereunder and are independent of the Management.

## KEY MANAGERIAL PERSONNEL

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

Mr. Sunil Todi	Managing Director
Mr. P. M. Nijampurkar	Whole-time Director
Mr. Pawan Kumar Gupta	Chief Financial Officer
Mr. Radhyeshyam Rathi	Company Secretary*

**\*Mr. Radhyeshyam Rathi has been appointed as a Company Secretary and Compliance Officer of the Company from 14th August, 2023.**

## ANNUAL RETURN

A copy of annual return as provided under Section 92 (3) of the Companies Act, 2013 in the prescribed form, is hosted on the Company's website and can be accessed at <https://akarauto.com/annual-returns/>

## CORPORATE GOVERNANCE

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

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

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

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

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

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations 2015, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. The detailed information in this regard has been given in the Corporate Governance Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

## **WHISTLE BLOWER POLICY / VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

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

The whistle blower policy / vigil mechanism provides a route for directors and employees to report, without fear of victimisation, any unethical behaviour, suspected or actual fraud, violation of the Company's code of conduct and instances of leak of unpublished price sensitive information, which are detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice.

The Policy is placed on the Company's website and can be accessed at <https://akarauto.com/policies/>.

## **NOMINATION AND REMUNERATION POLICY**

Pursuant to the requirement under Section 134(3) (e), Section 178(3) of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, the Nomination and Remuneration Committee of the Board of Directors has in place a policy which deals with the manner of selection of Board of Directors and Managing Director and their remuneration. The objectives and key features of this policy are:

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

The Nomination and Remuneration policy of the Company is available on Company's website and can be accessed at <https://akarauto.com/policies/>.

## **PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

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

Since all the related party transactions entered into by the Company were in ordinary course of business and were on an arm's length basis during the period under review, therefore Section 188 (1) of Companies Act, 2013 is not applicable to the said related party transactions. Therefore, the disclosure of the Related Party Transactions as required under Section 134(3)(h) of the Act in AOC-2 is not applicable to the Company for FY 2023-24 and hence the same is not required to be provided.

Pursuant to SEBI Listing Regulations, the Resolution for seeking approval of the Members on material related party transactions is being placed at the AGM. Pursuant to the requirements of the Act and the SEBI Listing Regulations the Company has formulated a policy on RPTs and is available on Company's website URL: <https://akarauto.com/policies/>

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

There is no loan given or guarantee provided or security provided or investment made by the Company during the financial year 2023-24 as per Section 186 of the Companies Act, 2013.

### **DEMATERIALISATION OF SHARES**

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on 31st March, 2024, 98.85% of the share capital stands dematerialized.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The net profit of the Company for the FY 2023-24 was above Rupees Five Crore, therefore, the provisions of Section 135 of the Companies Act, 2013 and rules related thereto, relating to Corporate Social Responsibility, are applicable to the company for the period under review.

The annual report on CSR activities is annexed to this report as ANNEXURE VI. The CSR Policy is available on Company's website and can be accessed at <https://akarauto.com/policies/>.

### **DISCLOSURE ON AUDIT COMMITTEE**

The Audit Committee as on 31st March, 2024 comprises of the following Directors:

- i. Mrs. Bhavna Saboo (Chairperson)
- ii. Mr. B. R. Galgali (Member)
- iii. Mr. Sunil Todi (Member)

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

### **RISK ASSESSMENT AND MANAGEMENT**

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

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual financial statements for the year ended 31st March 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have, in consultation with Statutory Auditors, selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the net profit of the Company for the financial year ended 31st March 2024;

- (c) the Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down adequate internal financial controls to be followed by the Company and such internal financial controls were operating effectively during the financial year ended 31st March 2024; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively throughout the financial year ended 31st March 2024.

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

During the financial year ended 31st March 2024, there were no frauds reported by the auditors to the Audit Committee or the Board under Section 143 (12) of the Companies Act, 2013.

### **DEPOSITS**

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

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

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

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

Pursuant to Section 134(3) (i) of Companies Act, 2013 there have been no material changes or commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report.

### **CONTINGENT LIABILITIES**

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

### **NATURE OF BUSINESS**

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

### **FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS**

To familiarise Independent Directors with the Company's operations, as required under Regulation 25(7) of the SEBI Listing Regulations, the Company has held various programmes for the Independent Directors during the period under review.

The details of such familiarisation programmes is available on the website of the Company <https://akarauto.com/> under the head 'Board of Directors' under 'Familiarisation Programme'.

### **HUMAN RESOURCES**

Your Company believes in engaging human resources as they are the key differentiator for the success of the Company. Keeping the employees engaged and committed can go a long way in attainment of objectives and ensuring sustained business performance. In line with this, your Company has initiated several interventions that will enhance the engagement of the employees. Being a people centric organisation, your Company recognises the significance of building next generation leadership by developing internal talent to meet the organisational objectives. Through this, the human resources function continues to align its strategic interventions and processes, while simultaneously addressing the needs of multiple stakeholders and maintaining a competitive employee cost. Your Company continues to have cordial and harmonious industrial relations across all the manufacturing units. The total number of employees of the Company as on March 31, 2024 stood at 358.

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

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

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

### **LISTING**

Your Company's shares continue to be listed on BSE Limited and are actively traded. The listing fee to BSE Limited for the year 2024-25 has been paid by your Company.

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

Pursuant to the provisions of Section 4(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place an Internal Complaints' Committee. The

following is a summary of sexual harassment complaints received and disposed off during the year:

No. of complaints received: Nil

No. of complaints disposed off: NA

### **CODE OF CONDUCT**

Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company. The Code of Conduct is available on the Company's Website and can be accessed at <https://akarauto.com/policies/>. A Declaration made in this by Managing Director is annexed to this report as ANNEXURE X

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

In compliance with Regulation 9 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company has in place the policy for preservation of document and archival policy.

### **ACKNOWLEDGEMENTS**

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

Your Directors also wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that your Company continues to grow and excel.

**By order of the Board of Directors**

Date: 14th August 2024  
Place: Chh. Sambhaji Nagar (Aurangabad)

**Sd/-**  
**N K Gupta**  
(Chairman)  
DIN. 00062268

## ANNEXURE I

### PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) AND SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The Ratio of the remuneration of each Director to the median remuneration to the employee of the Company for the financial year 2023-24:

Director's Name	Remuneration (₹ in Lakhs)	Median Remuneration (₹ in Lakhs)	Ratio
Mr. Sunil Todi	108.07	3.33	32.45
Mr. P.M. Nijampurkar	21.67	3.33	6.51

**Notes:**

- i. Independent Directors have been paid sitting fees for attending meeting of the Board or its Committees as disclosed in the Corporate Governance Report. The sitting fees paid have not been included in the details mentioned above.
- ii. For Calculation of median remuneration, the employee count taken is 290 which comprises employees who have served for whole of the Financial Year 2023-24
2. Percentage increase in remuneration of each Director, Chief financial officer, Company Secretary in Financial Year 2023-24:

Director's/CFO/CS Name	Designation	% increase/decrease in remuneration in the Financial Year 2023-24
Mr. Sunil Todi	Managing Director	25.00%
Mr. P. M. Nijampurkar	Executive Director	NA
Mr. Pawan Gupta	Chief Financial Officer	36.20%
Mr. Radhyeshyam Rathi**	Company Secretary	NA

\* Mr. Radhyeshyam Rathi has been appointed as Company Secretary from 14th August 2023

3. Percentage increase in the median remuneration of employees in the financial year 2023-24: 7.92%
4. Number of the Permanent employees on the rolls of the company as on 31.03.2024: 358



**5. Average percentile increase in salaries of Employees other than Managerial personnel in the last financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and any exceptional circumstances for increase in the Managerial Remuneration (if any):**

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 0.70%, as against -3.76% Decrease in the salary of Managing Director (Managerial personnel as defined under Companies Act, 2013). The increment given to each individual employee is based on the employees' potential, experience as well as their performance and contribution to the Company's progress over a period of time.

**6. Affirmation of remuneration is as per the remuneration policy of the company.**

It is affirmed that the remuneration paid is as per the Nomination and Remuneration Policy adopted by the Company.

**By order of the Board of Directors**

Date: 14th August 2024  
Place: Chh. Sambhaji Nagar (Aurangabad)

**Sd/-**  
**N K Gupta**  
(Chairman)  
DIN. 00062268

## **ANNEXURE II**

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

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

#### **A. CONSERVATION OF ENERGY**

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

During the FY 2023-24 Akar has made a significant development that reflects Commitment towards sustainable and environmentally responsible business practices.

The Company has installed Solar Rooftop System with a capacity of 1000 Kw. This endeavor is in line with Companies contribution towards cleaner and greener environment. This installation has lead company towards reduction in operational expenses and significantly improve profitability and financial performance.

Further the company is also taking steps towards a more sustainable future by installing Solar Rooftop at its other units.

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

During the FY 2023-24 other energy cost saving measures carried out by the Company during the year are listed below:

- Installation of Solar Rooftop System with a capacity of 1000 Kw.
- All air Conditioners, lights and computers are shut down after office hours (except at the time work commitments)

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

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

The Company has installed solar rooftop with a capacity of 1,000 kw which is a step taken by the Company towards more sustainable future.

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

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

**(i) Efforts made towards technology absorption:**

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

**(ii) Benefits derived:**

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

**(iii) Imported technology in previous three years:**

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

**(iv) Expenditure incurred on Research and Development:**

Not significant

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in Lakhs)

Particulars	2023-24	2022-23	2021-22
Foreign Exchange Earned	7252.44	6143.61	7,492.51
Foreign Exchange used	415.70	273.03	127.18

By order of the Board of Directors

Date: 14th August 2024  
Place: Chh. Sambhaji Nagar (Aurangabad)

Sd/-  
**N K Gupta**  
(Chairman)  
DIN. 00062268

**ANNEXURE III**  
**FORM NO. MR.3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period ended on **March 31, 2024**, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2024** according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (No FDI, ODI and ECB was taken by the Company during the Audit Period);
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the Audit Period)
  - (d) The Securities and Exchange Board of India (Share Based employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client with respect to issue of securities; (Not applicable to

the Company as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit Period)

- (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period)
  - (h) Securities and Exchange Board of India (buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- VI. The other Laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector / industry are:
- (i) The Legal Metrology Act, 2009
  - (ii) Air (Prevention & Control of Pollution) Act, 1981 and the rules made thereunder
  - (iii) The Environment (Protection) Act, 1986 and the rules made thereunder
  - (iv) The Water (Prevention & Control of Pollution) Act, 1974 and the rules made thereunder

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

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

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

Based on the information and record provided to us, we further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31st March, 2024. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period the Company has not incurred any specific event / action that can have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Nitin S. Sharma & Associates**  
Company Secretaries

**Sd/-**  
**Nitin S. Sharma**  
Proprietor

M. No. FCS 8518, C. P. No. 9761  
UDIN: F008518F000945751

Date: 14th August, 2024  
Place: Chh. Sambhaji Nagar (Aurangabad)

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

## Annexure A to the Secretarial Audit Report

To  
The Members  
**AKAR AUTO INDUSTRIES LIMITED**

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

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

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

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

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

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

**For Nitin S. Sharma & Associates**  
Company Secretaries

**Sd/-**  
**Nitin S. Sharma**  
Proprietor

Date: 14th August, 2024  
Place: Chh. Sambhaji Nagar (Aurangabad)

M. No. FCS 8518, C. P. No. 9761  
UDIN: F008518F000945751

# ANNEXURE IV

## CORPORATE GOVERNANCE REPORT

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

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

### I. PHILOSOPHY ON CODE OF GOVERNANCE

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

### II. BOARD OF DIRECTORS'

#### Composition of Board:

As on 31st March 2024, the Board of your company consisted of Seven Directors comprising of Two Executive Directors, One Non-Executive Non-Independent Director and Four Non-Executive Independent Directors (including one Women Director) of which, Mr. N K Gupta, Chairman, is Non-Executive Promoter Director of the Company.

The Independent Directors are Non-Executive Directors, as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149 (6) of the Companies Act, 2013 as amended from time to time. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("the Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time and Section 149 of the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

None of the Directors on the Company's Board is related to each other.

In compliance with Regulation 26 of the SEBI Listing Regulations, none of the Company's Director is a member of more than 10 (ten) committees or acts as an Independent Director in more than 7 (seven) listed companies or chairperson of more than 5 (five) committees (committees being, audit committee and stakeholders' relationship committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding committee positions held by them in other companies and they do not hold the office of director in more than 10 (ten) public companies as on 31st March, 2024.

The composition of the Board as on 31st March 2024 was in conformity with Listing Regulations 2015 having specified combination of Executive and Non-Executive Directors.

## Classification of Board

Category	No. of Directors	% of Total No. of Directors
Executive Directors	2	29%
Non-Executive Independent Directors (including Woman Director)	4	57%
Other Non-Executive Directors	1	14%
<b>Total</b>	<b>7</b>	<b>100%</b>

## Non-Executive Directors' Compensation and Disclosures:

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

## Number of Board Meetings:

During the Financial year 2023-24, the Board of Directors met 4 times on- 30th May, 2023, 14th August 2023, 09th November 2023 and 13th February 2024.

None of the Directors of the Company are related to each other.

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

As required under the Listing Regulations, none of the Director was a member of more than Ten Board level Committees or Chairman of more than Five Committees across companies in which he/she is a Director. Relevant details of the Board as on 31st March 2024 are given below:

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

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

- For this purpose, private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.
- For this purpose, Two Committees viz. Audit Committee and Stakeholders Relationship Committee are considered.

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

Mr. Anil Kumar Gupta, is Non-Executive, Independent Director of Shivam Autotech Limited as on 31st March, 2024 and Mr. Ulhas Gaoli, is Non-Executive, Independent Director of Morganite Crucible (India) Limited. None of the other Directors of the Company hold directorship in any other listed entity as on 31st March, 2024.

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

Pursuant to the provisions of Regulation 25(7) and Regulation 46 of the SEBI Listing Regulations, kindly refer to the company's website at <https://akarauto.com/about/leadership/> for details of the familiarisation programme for IDs on their roles, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

### Opinion of the Board for Independent Directors:

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

### Directors Shareholding:

The details of the shares held by the Directors of the Company as on 31st March 2024 are as follows:

Name of Director	Category	No. of shares held	% of the shares held
Mr. N K Gupta	Chairman PD, NED	16,77,780	15.55%
Mr. Sunil Todi	MD, ED	40	0.00%
Mr. P M Nijampurkar	ED	0	0.00%
Mr. B R Galgali	ID	0	0.00%
Mrs. Bhavna Saboo	ID	0	0.00%
Mr. Anil Kumar Gupta	ID	0	0.00%
Mr. Ulhas Gaoli	ID	0	0.00%
<b>Total</b>		<b>16,77,820</b>	<b>15.55%</b>

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

### Separate Meeting of the Independent Directors:

All Independent Directors of the Company met separately on 18th March, 2024 without the presence of Non-Independent Directors and Members of Management. In accordance with Schedule IV of Companies Act, 2013, following matters were, inter-alia, reviewed and discussed in the meeting:

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

### Code of Conduct:

The code of conduct for all Board Members and Senior Management has been laid down by the Company and is available on the website of the company at <https://akarauto.com/pdf/Corporate-Governance/Code-of-Conduct.pdf>. All the Board Members and Senior Management Personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed compliance with the applicable code of conduct.

### Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board as a whole, Chairman and the Non-Independent Directors was carried out by the Independent Directors. This



exercise was carried out in accordance with the Nomination & Remuneration Policy framed by the Company within the framework of applicable laws. The Board carried out an annual evaluation of its own performance, as well as the evaluation of the working of its committees and individual Directors, including Chairman of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The evaluation process was reviewed in the light of the guidance note issued by the Securities and Exchange Board of India on Board evaluation and aligned in accordance with the requirements specified therein. While evaluating the performance and effectiveness of the Board, various aspects of the Board's functioning such as adequacy of the composition and quality of the Board, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, execution and performance of specific duties, obligations and governance were taken into consideration. Committee performance was evaluated on the basis of their

effectiveness in carrying out respective mandates, composition, effectiveness of the committees, structure of the committees and meetings, independence of the committee from the Board, contribution to decisions of the Board. A separate exercise was carried out to evaluate the performance of Independent Directors, who were evaluated on parameters such as level of engagement and contribution to Board deliberations, independence of judgement, safeguarding the interest of the Company and focus on creation of shareholders value, ability to guide the Company in key matters, attendance at meetings etc. The Directors expressed their satisfaction with the evaluation process.

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

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

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

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

The Core Skills/Expertise/Competencies of individual Board Member is as follows:

<b>Mr. N. K. Gupta, Chairman, Non-Executive Director</b>	
Management and Strategy	Corporate Governance and Ethics
Human Resources and Industrial Relations	Economics and Statistics
Global Business Leadership	Regulatory, Government and Security matters
Sales, Marketing and International Business	Academics, Education, Authorship
Infrastructure and Real Estate	CSR and Sustainability matters
Research and Development	
Manufacturing, Auto components and Hand Tools Engineering and Project Management	
Banking, Investment and Treasury and Forex Management	

<b>Mr. Sunil Todi, Managing Director</b>	
Management and Strategy	Corporate Governance and Ethics
Human Resources and Industrial Relations	Economics and Statistics
Global Business Leadership	Regulatory, Government and Security matters
Sales, Marketing and International Business	Academics, Education, Authorship
Infrastructure and Real Estate	CSR and Sustainability matters
Research and Development	Finance and Taxation
Manufacturing, Auto components and Hand Tools Engineering and Project Management	Audit and Risk Management
Banking, Investment and Treasury and Forex Management	Law

<b>Mr. P M Nijampurkar, Whole-time Director</b>	
Human Resources and Industrial Relations	Corporate Governance and Ethics
Economics and Statistics	
Information Technology, Systems and Computers	
Sales, Marketing and International Business	
Infrastructure and Real Estate	
Regulatory, Government and Security matters	
Manufacturing, Auto components and Hand Tools Engineering and Project Management	
CSR and Sustainability matters	

<b>Mrs. Bhavna Saboo, Independent Director</b>	
Management and Strategy	Academics, Education, Authorship
Human Resources and Industrial Relations	Finance and Taxation
Corporate Governance and Ethics	Audit and Risk Management
Economics and Statistics	Law
Infrastructure and Real Estate	
Regulatory, Government and Security matters	
CSR and Sustainability matters	
Banking, Investment and Treasury and Forex Management	

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

Management and Strategy	Audit and Risk Management
Human Resources and Industrial Relations	
Corporate Governance and Ethics	
Economics and Statistics	
Regulatory, Government and Security matters	
Research and Development	
Manufacturing, Auto components and Hand Tools Engineering and Project Management	
Academics, Education, Authorship	

**Mr. Anilkumar Gupta, Independent Director**

Management and Strategy	Audit and Risk Management
Human Resources and Industrial Relations	Sales, Marketing and International Business
Corporate Governance and Ethics	
Economics and Statistics	
Regulatory, Government and Security matters	
Research and Development	
Manufacturing, Auto components and Hand Tools Engineering and Project Management	
Academics, Education, Authorship	

**Mr. Ulhas Gaoli, Independent Director**

Management and Strategy	Finance and Taxation
Human Resources and Industrial Relations	Economics and Statistics
Global Business Leadership	Regulatory, Government and Security matters
Sales, Marketing and International Business	Academics, Education, Authorship
Infrastructure and Real Estate	
Research and Development	
Law	
Audit and Risk Management	

**Note:** Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

**III. COMMITTEES OF THE BOARD**

The Company has Four Board level Committees:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee
- D. Corporate Social Responsibility (CSR) Committee

## A. AUDIT COMMITTEE

### Terms of Reference:

The terms of reference of Audit Committee includes the following:

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

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 (3) (c) of Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Qualifications in draft audit report.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with accounting standards.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, the fixation of audit fees and approval of payment for any other services rendered by them.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, frequency of internal audit.
- Discussions with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submissions to the Board for approval.
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice, the report submitted by the monitoring agency, and making appropriate recommendations to the Board to take up steps in this matter.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividend) and creditors.
- The Audit Committee shall mandatorily review the following information:
  - Management discussion and analysis of financial condition and results of operations.
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

### Composition of Audit Committee:

During the period under review the Committee comprised of Two Independent Director and One Executive Director who are financially literate and have relevant finance and/or audit exposure. The quorum of the Committee is two members or one third of its members whichever is

higher with at least two independent director. The Audit Committee Comprises of:

1. Mrs. Bhavna Saboo, Independent Director (Chairperson)
2. Mr. B R Galgali, Independent Director (Member)
3. Mr. Sunil Todi, Managing Director (Member)

### **Meetings and Attendance:**

During the Financial 2023-24, the Audit Committee met 4 times on- 30th May 2023, 14th August 2023, 09th November 2023 and 13th February 2024. The requisite quorum was present during all the meetings of the Audit Committee.

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

<b>Name of Member</b>	<b>Category*</b>	<b>Status</b>	<b>No. of Meetings held during the year</b>	<b>No. of Meetings attended during the year</b>
Mrs. Bhavna Saboo	ID	Chairperson	4	4
Mr. B R Galgali	ID	Member	4	4
Mr. Sunil Todi	MD, ED	Member	4	4

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

Chief Financial Officer of the Company assists the Committee on financial concerns of the Company. The Chairman of the Committee briefs the Board members about the significant discussions at Audit Committee Meetings. All the members of the Audit Committee have accounting and financial management expertise. Chairperson of the Audit Committee, Mrs. Bhavna Saboo was present at the Thirty Fourth Annual General Meeting, held on 22nd September, 2023, to answer the shareholders' queries.

## **B. NOMINATION AND REMUNERATION COMMITTEE**

### **Terms of Reference:**

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

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

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

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

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

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

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

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

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

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

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

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

### **Composition of Nomination and Remuneration Committee:**

During the period under review the Committee comprised of Three Independent Directors and One Non-Executive Non-Independent Director. The quorum of the Committee is two members or one third of its members whichever is higher with at least one independent director. The Nomination and Remuneration Committee Comprises of:

1. Mr. B R Galgali, Independent Director (Chairperson)
2. Mrs. Bhavna Saboo, Independent Director (Member)
3. Mr. N K Gupta, Non-Executive Director (Member)
4. Mr. Anil Kumar Gupta, Independent Director (Member)

### **Meetings and Attendance:**

During the Financial 2023-24, the Nomination and Remuneration Committee met 1 times on 30th May 2023. The requisite quorum was present during all the meetings of the Nomination and Remuneration Committee.

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

Name of Member	Category*	Status	No. of Meetings held during the year	No. of Meetings attended during the year
Mr. B R Galgali	ID	Chairperson	1	1
Mrs. Bhavna Saboo	ID	Member	1	1
Mr. N K Gupta	PD, NED	Member	1	1
Mr. Anil Kumar Gupta	ID	Member	1	1

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

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

Chairman of the Nomination and Remuneration Committee, Mr. B R Galgali was present at the Thirty Fourth Annual General Meeting, held on 22nd September, 2023.

### **Criteria for Performance Evaluation for Independent Directors:**

The criteria for performance evaluation for Independent Directors is uploaded on the website of the Company [www.akarauto.com](http://www.akarauto.com).

## **C. STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **Terms of Reference:**

The terms of reference and the ambit of powers of Stakeholders Relationship Committee are as per Regulation 20 and Part-D of Schedule II of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013, and allied rules as may be notified from time to time.

### Composition of Stakeholders Relationship Committee:

As on 31st March 2024, the Stakeholders Relationship Committee comprises of the following four Directors:

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

### Meetings and Attendance:

During the Financial 2023-24, the Stakeholders Relationship Committee met once on 13th February, 2024. The requisite quorum was present during the meeting of the Stakeholders Relationship Committee.

The details of attendance of Stakeholders Relationship Committee meeting is as under:

Name of Member	Category*	Status	No. of Meetings held during the year	No. of Meetings attended during the year
Mrs. Bhavna Saboo	ID	Chairperson	1	1
Mr. N K Gupta	PD, NED	Member	1	1
Mr. Sunil Todi	MD, ED	Member	1	1
Mr. P M Nijampurkar	ED	Member	1	1

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

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

### The Committee performs the following functions:

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

### Investor Grievance Redressal:

During the financial year 2023-24, three complaints were received and replied to the satisfaction of the shareholders. There were no complaints outstanding as on 31st March, 2024. There were no share transfer requests pending as on 31st March, 2024.

## D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In accordance with provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has a Corporate Social Responsibility (CSR) Committee at the Board Level, to formulate and recommend the CSR activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the company from time to time.

### Terms of Reference:

The terms of reference of CSR Committee includes the following:

Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.

Recommend CSR activities as stated under Schedule VII of the Act.

Approve to undertake CSR activities, if necessary, in collaboration with other Companies/firms/NGOs etc., and to separately report the same in line with the CSR Rules.

Recommend the CSR Budget.

Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.

Create transparent monitoring mechanism for implementation of CSR initiatives in India.

Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.

Monitor CSR Policy from time to time.

Authorize executives of the Company to attend the CSR Committee Meetings, if necessary.

### Composition of CSR Committee:

As on 31st March 2024, the CSR Committee comprises of the following three Directors:

1. Mr. N K Gupta, Independent Director (Chairperson)
2. Mr. Sunil Todi, Managing Director (Member)
3. Mrs. Bhavna Saboo, Independent Director (Member)

### Meetings and Attendance:

During the Financial 2023-24, the CSR Committee met 1 time on- 13th February 2024. The requisite quorum was present during the meeting of CSR Committee.

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

Name of Member	Category*	Status	No. of Meetings held during the year	No. of Meetings attended during the year
Mr. N K Gupta	PD, NED	Chairperson	1	1
Mr. Sunil Todi	MD, ED	Member	1	1
Mrs. Bhavna Saboo	ID	Member	1	1

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

The company has formulated the CSR Policy in line with Schedule VII of the Companies Act, 2013, which is available on the website of the Company at the web link <https://akarauto.com/pdf/Corporate-Governance/CorporateSocialResponsibilityPolicy.pdf>.



## E. SENIOR MANAGEMENT PERSONNEL ('SMP')

During the period under review, the particulars of SMP are as follows:

1. Mr Pawan Kumar Gupta - Chief Financial Officer
2. Mr Radhyeshyam Rathi – Company Secretary\*
3. Mr. Lalit Kasliwal – Head Group Purchase

\*Appointed as Company Secretary on August 14, 2023

## IV. GENERAL BODY MEETINGS

### a. Annual General Meeting ("AGM")

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

Year	Date	Venue	Time	Whether any Special resolution passed in the AGM
2022-23	22/09/2023	Meeting held through video conferencing (VC) / other audio visual means (OAVM)	11.30 A.M	No
2021-22	30/09/2022	Meeting held through video conferencing (VC) / other audio visual means (OAVM)	11.30 A.M	Yes
2020-21	30/09/2021	Meeting held through video conferencing (VC) / other audio visual means (OAVM)	11.30 A.M	No

### b. Extraordinary General Meeting ("EGM")

No extraordinary general meeting of the members was held during FY 2023-24.

### c. Postal Ballot

During the FY 2023-24 the Company had sought the approval of the members by way of a special resolution through postal ballot dated June 16, 2023 to reappoint Mr. Bhimsen Galgali (DIN: 08074906) as a Non-Executive Independent Director for a second consecutive term of 5 years. The Resolution was duly passed and the results were announced on July 19, 2023.

During the FY 2024-25 the Company had sought the approval of Members by way of special resolution through postal ballot notice dated June 14, 2024 for the reappointment of Mr Anil Kumar Gupta (DIN: 02643623) and Mr Ulhas Gaoli (DIN: 00286833) as Non-Executive Independent Director for second consecutive term of 5 years and continuation of Directorship after attaining the age of 75 years. The resolution were duly passed and the results were announced on July 17, 2024.

The Board of Directors had appointed Mr Nitin Sharma (FCS: 8518, CP No: 9761) Practising Company Secretaries as the Scrutinizer to Scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

Year of Passing	Resolution passed through Postal Ballot	Resolution Required	Votes in Favour of the resolution (% of total number of valid votes)	Votes against the resolution (% of total number of valid votes)	Result
2023-24	To reappoint Mr Bhimsen Galgali (DIN: 08074906) as Non-Executive Independent Director for second consecutive term of 5 years.	Special Resolution	99.97%	0.021%	Passed with requisite majority
2024-25	To reappoint Mr Anil Kumar Gupta (DIN: 02643623) as Non-Executive Independent Director for second consecutive term of 5 years and continuation of directorship after attaining the age of 75 years.	Special Resolution	99.96%	0.04%	Passed with requisite majority
2024-25	To reappoint Mr Ulhas Gaoli (DIN: 00286833) as Non-Executive Independent Director for second consecutive term of 5 years and continuation of directorship after attaining the age of 75 years.	Special Resolution	99.96%	0.04%	Passed with requisite majority

## V. SUBSIDIARY COMPANIES

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

## VI. DISCLOSURES

### Related Party Transactions:

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

The policy on materiality of related party transactions and also on dealing with related party transactions as approved by the Audit Committee and the Board of Directors is uploaded on the web-site of the Company [www.akarauto.com](http://www.akarauto.com) under the tab "Policies".

### Accounting Treatment:

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

## Risk Management:

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

## Remuneration of Directors:

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

### 1. Remuneration paid to Executive Directors for the Financial Year 2023-24

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the Key Managerial Personnel	
		Sunil Todi Managing Director	P. M. Nijampurkar Whole-time Director
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	90.87	Nil
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	17.21	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil
2.	Stock option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
5.	Others	Nil	21.67
	<b>Total</b>	<b>108.08</b>	<b>21.67</b>

### 2. Sitting Fees paid to Non-Executive Independent Directors during the Financial Year 2023-24

(₹ in Lakhs)

Particulars of Remuneration Independent Directors	Name of the Directors				Total
	B R Galgali	Bhavna Saboo	Anil Gupta	Ulhas Gaoli	
Fees for attending Board Meetings	1.20	1.20	1.20	0.90	4.50
Fees for attending Audit Committee meetings	0.60	0.60	-	-	1.20
Fees for Nomination & Remuneration Committee meetings	0.15	0.15	0.15	-	0.45
Fees for attending Annual General Meeting	0.15	0.15	0.15	0.15	0.60
Fees for attending CSR Committee meeting	-	0.15	-	-	0.15
Fees for attending Stakeholder Relationship Committee meeting	-	0.15	-	-	0.15
Fees for attending separate Independent Directors Meeting	0.15	0.15	0.15	0.15	0.60
<b>Total</b>	<b>2.25</b>	<b>2.55</b>	<b>1.65</b>	<b>1.20</b>	<b>7.65</b>

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

### **Management Discussion and Analysis:**

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

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

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

### **Code of Prevention of Insider Trading:**

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

### **Whistle Blower Policy / Vigil Mechanism:**

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

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

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

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

#### **i. The Board**

A non-executive Chairman heads the Board.

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

#### **ii. Shareholder rights**

The Quarterly Results of the company are uploaded on the website of the Company at [www.akarauto.com](http://www.akarauto.com) and on the website of Bombay Stock Exchange at [www.bseindia.com](http://www.bseindia.com). These are not sent individually to the shareholders.

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

Mr. N K Gupta is the Non-Executive Director cum Chairman of the Company as on 31st March, 2024.

Mr. Sunil Todi is the Managing Director of the Company. The Company does not have a CEO.

### **Prevention of Sexual Harassment Policy:**

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

### **Statutory Auditors:**

M/s. GSA & Associates LLP, Chartered Accountants, Delhi, are the statutory auditors of the Company. Total fees payable by the Company to the auditors for the financial year 2023-24 is ₹2.40 Lakhs (excluding GST).

### **Compliance Certificate on Corporate Governance:**

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

### **Transfer of unclaimed shares to IEPF:**

In accordance with Regulation 39(4) read with Schedule VI of the SEBI (Listing Regulations) the Company had sent reminders to such shareholders whose shares were lying unclaimed with the Company.

After Completion of necessary formalities the Company will transfer the shares on which the Dividend in unclaimed for last 7 years as per the rules and regulation framed under the act.

## VII. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual financial results are communicated to the Bombay Stock Exchange at www.bseindia.com. Immediately after these are considered and approved by the Board and thereafter regularly published in the prominent newspapers in English and Marathi Language as required. Quarterly and Annual financial statements and other information are posted on our website: www.akarauto.com. Further, all other price sensitive and other information is sent to the Stock Exchange where shares of the Company are listed, enabling them to display the same on their website.

## VIII. GENERAL SHAREHOLDERS INFORMATION

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

Monday, 30th September 2024 at 11.30 am through video conferencing ('VC') / other audio visual means ('OAVM').

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

1st April, 2023 to 31st March, 2024

### (iii) Book Closure Date:

24th September 2024 to 30th September 2024 (both days inclusive)

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

The Board of Directors have recommended a dividend of 12% i.e. ₹0.60/- per share (Previous Year ₹0.50/- per share) on 1,07,88,010 equity shares of ₹5/- each for the year ended 31st March, 2024. The dividend on equity shares, if approved by the Members would involve a total outflow of ₹64.72 Lakhs (Previous Year ₹53.94 Lakhs).

### (v) Listing on Stock Exchanges:

Your Company is listed on Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.

GROUP INDEX: X

SCRIP ID: AAIL

SCRIP CODE: 530621

ISIN CODE: INE864E01021

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

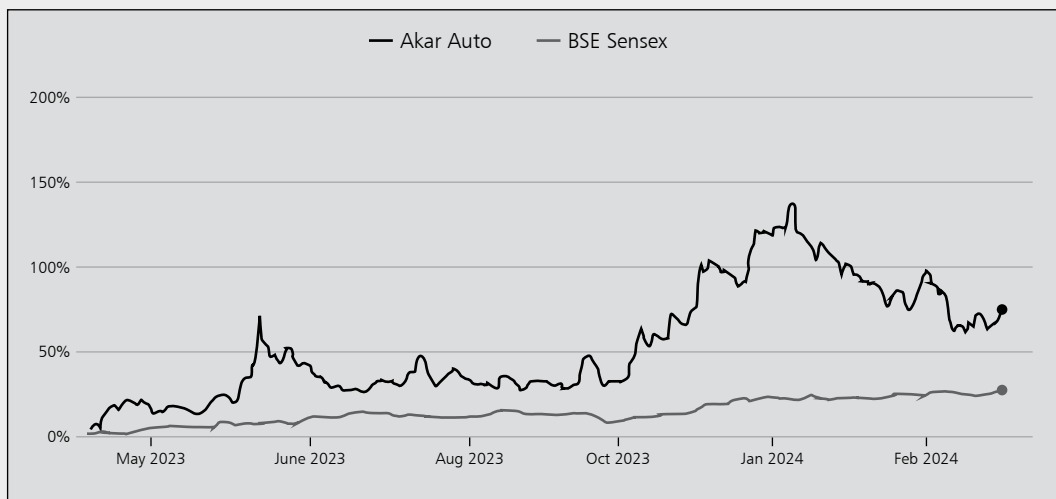
Following is the Monthly High-Low Trading price in each month in last financial year:

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

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

Month	Open	High	Low	Close
April 2023	69.2	84.29	66.3	80
May 2023	79.01	85.35	74	80.65
June 2023	81.97	123.2	79	95.34
July 2023	94	95.33	83	87.91
August 2023	89	102.9	85	89.44
September 2023	91	94	80.26	88.9
October 2023	87.05	104.93	83.8	88.95
November 2023	92.24	125	86.2	118.62
December 2023	122.9	156.5	117	149.65
January 2024	150	169.7	131.35	138.05
February 2024	141.9	141.9	114	131.85
March 2024	133.9	135.95	106.55	112.2

**(vii) Performance in comparison of Akar's share price and BSE Sensex movement:**



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

Big Share Services Private Limited,  
Office No. S6-2 6th Floor,  
Pinnacle Business Park, Next to Ahura Centre  
Mahakali Caves Road  
Andheri (E) Mumbai – 400093

**(ix) Share Transfer System:**

All transfer, transmission or transposition of securities are conducted in accordance with the provisions of Regulation 40 and Schedule VII of SEBI Listing Regulations, read together with relevant SEBI Circulars.

In terms of the SEBI Listing Regulations, securities of the Company can only be transferred in dematerialized form. Further SEBI vide its circular no. SEBI/HO/MIRSD\_RTAMB/P/CIR/2022/8 dated January 24, 2022, mandated all the listed companies to issue securities in dematerialized form only, while processing the service request for issue of duplicate securities certificates, renewal/exchange of securities certificate, claim from Unclaimed Suspense Account, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form, Members can contact the Company or the Company's Register and Transfer Agent ('RTA'), for assistance in this regard. Also, share transactions in electronic form can be effected in a much simpler and faster manner. Shareholders should communicate with the RTA, quoting their folio number or Depository Participant ID ('DPID') and client ID number, for any queries on their securities holding.

**(x) Shareholding Pattern as on 31st March, 2024**

Particulars	No. of Shares held at end of the year [As on 31-March-2024]			
	Demat	Physical	Total	% of Total Shares
<b>A. Promoters</b>				
<b>(1) Indian</b>				
a) Individual/ HUF	58,22,030	-	58,22,030	53.97%
B) Directors or Directors Relatives (other than in [a] above)	-		-	-
b) Body Corporate	20,59,716	-	20,59,716	19.09%
<b>Sub Total (A) (1)</b>	<b>78,81,746</b>	<b>-</b>	<b>78,81,746</b>	<b>73.06%</b>
<b>B. Public Shareholding</b>				
a) Indian Bodies Corp.	2,38,488	3600	2,42,088	2.24%
b) Resident Individuals	22,00,270	1,01,612	23,01,882	21.34%
c) Non Resident Indians	1,39,320	19,000	1,58,320	1.47%
d) Clearing Members	9,484	-	9,484	0.09%
e) IEPF	58,500	-	58,500	0.54%
f) HUF	1,35,950	-	1,35,950	1.26%
g) Key Managerial Personnel	-	40	40	0.00%
<b>Total Public(B)</b>	<b>27,82,012</b>	<b>1,24,252</b>	<b>29,06,264</b>	<b>26.94%</b>
<b>Grand Total (A+B+C)</b>	<b>1,06,63,758</b>	<b>1,24,252</b>	<b>1,07,88,010</b>	<b>100.00%</b>

**(xi) Distribution of shareholding:**

No. of Equity Shares held	No of Shares	% to equity	No of Share holders	% to holders
Up to 500	4,71,324	4.36	3848	83.11
501 to 1000	3,01,259	2.79	367	7.92
1001 to 2000	3,09,088	2.86	204	4.40
2001 to 3000	1,77,609	1.64	69	1.49
3001 to 4000	1,20,299	1.11	33	0.71
4001 to 5000	1,30,437	1.20	27	0.58
5001 to 10000	3,16,432	2.93	41	0.88
10001 and above	89,61,562	83.06	41	0.88
<b>Total</b>	<b>1,07,88,010</b>	<b>100.00</b>	<b>4630</b>	<b>100.00</b>

**(xii) Dematerialization of Shares:**

As of 31st March, 2024, 98.85% of Shares are held in Demat mode, following is the detail of share held in various modes.

No. of shares held in dematerialised form in NSDL:	95,07,459	88.13%
No. of shares held in dematerialised form in CDSL:	11,56,299	10.72%
No. of shares held in physical form:	1,24,252	1.15%
<b>Total No. of shares</b>	<b>1,07,88,010</b>	<b>100.00%</b>

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

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

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

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

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company complies with the same i.e. Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) read with MCA circulars and SEBI Circulars which are applicable to the company.

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

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments during the financial year 2023-24.

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

#### **Registered Office Address**

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

#### **Corporate Office (for correspondence)**

AKAR AUTO INDUSTRIES LIMITED  
E-5, MIDC, Waluj Area,  
Chh. Sambhaji Nagar (Aurangabad). - 431136,  
Maharashtra  
Ph. (0240) 6647204/230, Fax: (0240) 2554640  
E-mail:corporate@akarauto.com  
Website: www.akarauto.com

### **(xvii) Plant Location:**

**Unit I:** E-5, MIDC, Waluj Area, Chh. Sambhaji Nagar (Aurangabad). – 431136, Maharashtra

**Unit II:** C-5/6, MIDC, Waluj Area, Chh. Sambhaji Nagar (Aurangabad). – 431136, Maharashtra

**Unit III:** Gut No. 24-25, Paithan Road, Chitegaon, Chh. Sambhaji Nagar (Aurangabad). – 431107, Maharashtra

**Unit IV:** Plot No. G-45 & 46, MIDC, Chikalthana, Jalna Road, Chh. Sambhaji Nagar (Aurangabad). – 431210, Maharashtra

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

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

### **Online Dispute Resolution Portal ('ODR Portal')**

A Mechanism to streamline and strengthen the existing dispute resolution in the Indian Securities Market, SEBI vide Circular No. SEBI/HO/OIAE/OIAE\_IAD-3/P/ CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023), introduced the ODR Portal. This mechanism enhanced the degree of regulatory supervision by SEBI over disputes between aggrieved parties to the dispute. Pursuant to above mentioned circulars, the aggrieved party can initiate the mechanism through the ODR Portal, after exercising the primary options to resolve the issue directly with the Company and through the SCORES platform.

### **(xix) Credit Ratings:**

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

**For and on behalf of Board**

**Sd/-  
N K Gupta**  
(Chairman)

DIN. 00062268

Date: 14th August 2024

Place: Chh. Sambhaji Nagar (Aurangabad)



## ANNEXURE V

# MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Developments:

**GDP:** Strong economic growth helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP growth. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

**Automobile Industry:** On the backdrop of a robust economic growth of 7.6% based on conducive policies of Government of India, the Indian Automobile Industry has posted a satisfactory performance with domestic industry growing by 12.5% during the last Financial Year.

Passenger Vehicle registered growth of 12% and posted sales of more than 1.1 Mn units. Three-Wheelers posted sales of 1.65 Lakh units with a growth of 7%. Commercial Vehicles registered degrowth of (-) 4%, by posting sales of more than 2.68 Lakh units."

Two-wheeler segment continued the recovery path with a handsome growth of over 13% in domestic sales to almost 18 million units, even though still lower than the earlier peak of 21 million units. Domestic Commercial Vehicle industry had a marginal growth to 0.97 million units and within that, some drop was experienced in LCVs and SCVs due to degrowth in CNG segment. The growth in Commercial vehicles was also impacted due to migration to higher tonnage trucks which created higher payload capacity that is not reflected in the number of units. Three-Wheeler industry is almost close to the earlier peak of 0.7 million.

Overall exports remained under stress during the last financial year with sizeable drop in Commercial Vehicles, Two-Wheelers and Three-Wheelers, though Passenger vehicles grew marginally. However, good recovery was seen in the last quarter, especially for two-wheelers, indicating better potential for the current year.

The year also demonstrated the sustainability commitments of the Auto Industry as it commenced producing vehicles which are material compliant to 20% Ethanol and witnessed growth of 90% in Electric Passenger Vehicles and 30% in Electric Two-Wheelers.

The industry remains optimistic as the macroeconomic outlook remains positive. Coupled with good monsoon outlook, we are expecting continued growth for the industry this year as well."

On top of that, the government's continued emphasis on infrastructure development, exemplified by the increased Capex outlay of INR 10 trillion in the Union Budget 2023-24, is expected to bode well for sustained growth, especially in the heavy truck segment over the near term. The financial performance of the Original Equipment Manufacturers (OEMs) of CVs is expected to improve, led by the benefit of operating leverage and the easing

commodity prices. Furthermore, the aggregate operating profit margin of CV OEMs is expected to revive to 6-7% in FY23 and improve further in the next fiscal year.

The experts also mentioned that while CV OEMs have limited plans for capacity expansion in the near term, investments in new product development, electric and other alternative fuel vehicles, and tightening emission norms, among others, would continue.

## **Opportunities and Threats:**

### **Opportunities:**

The Indian automobile industry, including both electric vehicles and internal combustion engine (ICE) powered vehicles, is presently the fifth largest in the world and is expected to become third largest by 2030. The industry contributes around 7.1 per cent of India's Gross Domestic Product (GDP) and 49 per cent of its manufacturing GDP. While the automotive sector is valued at \$ 222 billion, the net worth of the EV market in the country is expected to be \$ 7.09 billion by 2025. Eyeing the emerging trends and steadily growing business prospects in the auto sector the central and state governments have been introducing various facilitating policies to encourage more investments. To foster the growth of the industry, the government has introduced Production-Linked Incentive (PLI) Scheme in the Automobile and Auto Components sectors. With a total outlay of \$ 3.5 billion, the PLI scheme proposes financial incentives of up to 18% to boost domestic manufacturing of advanced automotive technology products and attract investments in the manufacturing value chain. The government of India has undertaken multiple initiatives to promote manufacturing and adoption of electric vehicles in India and has set ambitious targets for 30% EV penetration by FY 2030 and has also been pursuing the use of alternate fuel like Hydrogen as alternative to battery.

Strong policy support initiatives and government focus on infra spending is creating good opportunities for demand revival and growth. We see significant opportunities to leverage the mega trends shaping the Indian automotive industry.

### **Threats:**

Rising competition: Presence of a large number of players in the automobile industry results in intense competition and companies eating into other's share, leaving little scope for new players.

Sluggish economy: Macroeconomic uncertainty, recession, unemployment, etc. are the economic factors which will daunt the automobile industry for an extended period.

Prices of raw material items such as steel, Nickel and petroleum products have generally risen in recent past and may significantly rise in the future. This may impact the production cost of the Company, which may adversely affect the sales and profits of the Company.

Volatility in fuel prices: For the consumer segment, fluctuations in fuel prices remains the determining factor for growth. Also, government regulations pertaining to the use of alternative fuels like CNG and Shell gas is also affecting the inventories.

### **Segment-wise or product-wise performance:**

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

### **Outlook:**

The outlook of the automobile industry in India has also witnessed significant growth and transformation driven by various factors such as rising income levels, urbanization, infrastructure development, and favourable government policies. Our Country is one of the largest automobile markets globally, with a diverse consumer base comprising of both urban and rural populations. The growing middle class and increasing disposable incomes have fuelled demand for passenger vehicles, motorcycles, and commercial vehicles. The Government's initiative by introducing battery-swapping policy, expansion of Indian National Highways and adding advanced technologies including alternate fuel systems such as compressed natural gas (CNG), Bharat Stage VI compliant flex-fuel engines, electronic control units (ECU) for safety, advanced driver assist systems and e-quadracycles, under the Production-linked incentives (PLI) scheme for automobiles has attracted new investment and has further provided boost to the industry.

### **Risks and Concerns:**

The automotive industry could be materially affected by the general economic conditions and developments in India and around the world and investors' reaction to such conditions and developments.

The automotive industry, in general, is cyclical, and economic slowdowns in recent years have affected the manufacturing sector in India, including the automotive and related industries. Deterioration of key economic factors, such as the growth rate, interest rates and inflation, reduced availability of competitive financing rates for vehicles, implementation of burdensome environmental and tax policies, work stoppages and increase in freight rates and fuel prices could materially and adversely affect Company's sales and operations.

We rely on third parties to source raw materials, parts and components used in the manufacture of our products. At a local level, we rely on smaller enterprises where the risk of insolvency is greater. In addition, for some parts and components, we are dependent on a single source. Our ability to procure supplies in a cost-effective and timely manner is subject to various factors, some of which are not within our control.

Increases in commodities and input prices may have a material adverse effect on our operations. Prices of commodity items such as steel, nickel and petroleum products have generally risen in recent past and may significantly rise in the future.

We are exposed to operational risks, including cyber security risks, in connection with our use of information technology.

#### **Internal Control Systems and their adequacy:**

The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial

reporting, monitoring of operations and protecting assets from unauthorised use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

#### **Financial Performance with respect to Operational Performance:**

The Company mainly manufactures automobile parts for heavy commercial vehicles as well as passenger vehicles. The Company recorded net revenue from operations of Rs.37,381.84 Lakhs in FY 2023-24, 1.839% higher than Rs.36,706.67 Lakhs in FY 2022-23. The Profit before Tax for FY 2023-24 was Rs.890.81 Lakhs as compared to Profit before Tax of Rs.829.13 Lakhs for FY 2022-23. The Profit after Tax for FY 2023-24 was Rs.549.22 Lakhs as compared to Profit after Tax of Rs.687.94 Lakhs for FY 2022-23.

#### **Material Developments in Human Resources / Industrial Relation:**

The Company believes that the success of any organisation depends upon availability of human capital. Our assets are our people who work to innovate beyond and challenge established boundaries. Thus, employees are vital to the Company. We have favourable work environment that encourages innovation and meritocracy. We focus on attracting the best and brightest talent and the meritocracy is the sole criteria for selection. The Company firmly believes that manpower is the most important asset, above all. The Company has good cordial relation with trade union and employees representatives and views these relationships as contributing positively to the success of the business. The total number of employees of the Company as on March 31, 2024 stood at 358.

## KEY FINANCIAL RATIOS, STANDALONE:

Particulars	FY 2023-2024	FY 2022-2023	Explanation
Debtors Turnover Ratio	8.71%	8.72	The ratios for the financial year 2023-24 are Stable as compared to financial year 2022-23, as the Company has performed well in respect of sales and Profit as compared to last year.
Inventory Turnover Ratio	3.125	3.09	
Interest coverage ratio	1.80%	1.83	
Current Ratio	1.17%	1.18	
Debt Equity Ratio	1.76%	1.50	
Operating Profit Margin	5.37%	4.99%	
Net Profit Margin	1.46%	1.93%	
Return on Net Worth	12.24%	17.91%	

## CAUTIONARY STATEMENT:

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

**For and on behalf of Board**

Date: 14th August 2024  
Place: Chh. Sambhaji Nagar (Aurangabad)

**Sd/-**  
**N K Gupta**  
(Chairman)  
DIN. 00062268

# ANNEXURE VI

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY(CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. Brief outline on CSR Policy of the Company:

Since its foundation in 1989, Akar Auto Industries Limited (hereinafter referred as 'Company') has continuously evolved into manufacturer, exporter, importer, and trader of a high-quality array of Hand Tools, Automotive Tools, Forged components and Leaf Springs. We have expanded our business throughout the country and also export our products to countries like, USA, Germany, Europe, UK etc.

We never lose sight of our responsibility to the environment and society. Our commitments towards Corporate Social Responsibility include but is not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

The Company's vision on Corporate Social Responsibility is – "To actively contribute to the social and economic development of the communities in which it operates. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index".

### 2. Composition of CSR Committee:

Sl. No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1	Mr. Narendrakumar Gupta	Chairperson	1	1
2	Mr. Sunil Todi	Member	1	1
3	Mrs. Bhavna Saboo	Member	1	1

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

Composition of CSR Committee : <https://akarauto.com/about/leadership/>

CSR Policy : <https://akarauto.com/policies/>

CSR Projects : <https://akarauto.com/corporate-responsibility/>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. (a) Average Net profit of the company as per section 135(5) for last three financial years: ₹451.08 Lakhs
- (b) Two percent of average net profit of the company as per section 135 (5): ₹9.02 Lakhs
- (c) Surplus arising out of the CSR projects of programmes or activities of previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: Nil
- (e) Total CSR obligation for the financial year (7(a) + 7(b) - 7(c)): ₹9.02 Lakhs
6. (a) Amount Spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹9.02 Lakhs
- (b) Amount Spent in Administrative Overheads: Nil
- (c) Amount Spent on Impact Assessment, if applicable: Not applicable
- (d) Total amount spent for the financial year (6(a) + 6(b) + 6(c)): ₹9.02 Lakhs
- (e) CSR amount spent or unspent for the financial year:

Total amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹9.02 Lakhs	Not Applicable				

- (f) Excess amount set off, if any:

Sr. No	Particular	Amount
(i)	Two Percent of average net profit of the company as per section 135 (5)	9.02
(ii)	Total amount spent for the Financial Year	9.02
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

**7. Details of Unspent CSR amount for the preceding three financial years**

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6)	Balance Amount in Unspent CSR Account under Section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any	Amount remaining to be spent in succeeding Financial Years.	Deficiency, If any
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NIL

**8. Where any capital assets have been created or acquired through CSR amount spent in the Financial Year: No**

If yes, enter the number of Capital assets created/acquired: Not Applicable

Furnish the details relating to such assets created/acquired: Not Applicable

Furnish the details relating to such assets so created or acquired through CSR amount spent in the Financial Year: Not Applicable

**9. Specify the reasons, if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable**

**Sunil Todi**

Managing Director  
DIN: 00061952

**Narendrakumar Gupta**

Chairperson - CSR Committee  
DIN: 00062268

Chh. Sambhaji Nagar, (Aurangabad)  
14th August, 2024

## **ANNEXURE VII**

### **CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members  
**AKAR AUTO INDUSTRIES LIMITED**  
304, Abhay Steel House,  
Baroda Street, Carnac Bunder,  
Mumbai - 400009

We have examined all relevant records of AKAR AUTO INDUSTRIES LIMITED (CIN: L29220MH1989PLC052305) having its Registered Office at 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai – 400009 for the purpose of certifying compliance of the conditions of Corporate Governance mentioned under Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V to the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the financial year ended 31st March, 2024.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the financial year ended 31st March, 2024.

**For Nitin S. Sharma & Associates**  
Company Secretaries

**Nitin S. Sharma**  
Proprietor  
Membership No. FCS8518  
CP No. 9761  
UDIN: F008518F000946004

Chh.Sambhaji Nagar (Aurangabad).  
14th August, 2024



## ANNEXURE VIII

### CERTIFICATE BY CHIEF FINANCIAL OFFICER

I, Pawan Gupta, Chief Financial Officer of Akar Auto Industries Limited certify that:

- a) I have reviewed financial statements and the Cash Flow Statement for the year 2023-24 and that to the best of my knowledge and belief:
- b) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- c) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- d) There are to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- e) I accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
- f) I have indicated to the Auditors and the Audit Committee:
- g) that there are no significant changes in internal control over financial reporting during the year;
  - I. that there are no significant changes in accounting policies during the year;
  - II. that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.
- h) I affirm that I have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any).
- i) I further declare that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the current year.

**Pawan Kumar Gupta**  
Chief Financial Officer  
Akar Auto Industries Limited

Chh. Sambhaji Nagar (Aurangabad).  
14th August, 2024

# ANNEXURE IX

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
**AKAR AUTO INDUSTRIES LIMITED**  
304, Abhay Steel House,  
Baroda Street, Carnac Bunder,  
Mumbai - 400009

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AKAR AUTO INDUSTRIES LIMITED having CIN L29220MH1989PLC052305 and having registered office at 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai – 400009 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No	Name of Director	DIN	Date of appointment in Company
1	Mr. Narendrakumar Gupta	00062268	21/06/1989
2	Mr. Sunil Todi	00061952	28/09/2001
3	Mr. Pradeep Nijampurkar	01805132	31/07/2007
4	Mr. Bhimsen Galgali	08074906	01/03/2018
5	Mrs. Bhavna Saboo	03008960	14/08/2018
6	Mr. Anil Kumar Gupta	02643623	13/08/2019
7	Mr. Ulhas Gaoli	00286833	13/08/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### For Nitin S. Sharma & Associates

Company Secretaries

### Nitin S. Sharma

Proprietor  
Membership No. FCS8518  
CP No. 9761  
UDIN: F008518F000946004

Chh.Sambhaji Nagar (Aurangabad).  
14th August, 2024

## **ANNEXURE X**

### **DECLARATION BY MANAGING DIRECTOR**

(Pursuant to Regulation 34(3) and Schedule V Para D of the SEBI  
(Listing Obligation and Disclosure Requirements) Regulation, 2015)

To,  
The Members,  
**AKAR AUTO INDUSTRIES LIMITED**  
304, Abhay Steel House,  
Baroda Street, Carnac Bunder,  
Mumbai- 400009

I, Sunil Todi, Managing Director of Akar Auto Industries Limited, hereby declare that all the members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel of the Company.

**Sd/-**  
**Sunil Todi**  
Managing Director  
Akar Auto Industries Limited  
  
Chh. Sambhaji Nagar (Aurangabad).  
14th August, 2024

# Independent Auditors' Report

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

## **Report on the audit of Standalone Financial Statements**

### **Opinion:**

1. We have audited the accompanying Standalone Financial Statements of Akar Auto Industries Limited, ("the Company"), (CIN L29220MH1989PLC052305) which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information. (Herein after referred to as the "Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its total comprehensive income (comprising of profit and other comprehensive income), its Cash Flow and Changes In Equity for the year ended on that date.

### **Basis for opinion:**

3. We conducted our audit of the Standalone Financial Statements in accordance with the standards on auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the Standalone Financial Statements section of our report. We are independent of the

Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of these Standalone Financial Statements under the provisions of the Act and the Rule made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained were sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### **Key Audit matters:**

4. Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon; and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report;  
Foreign exchange fluctuation and export policies of the Government of India and other countries are considered to be Key Audit Matters. A significant portion of revenue is generated through export of products of the company. Any change in the duty structure, import and export policy has significant bearing on revenue realisation of the Company. Fluctuation in exchange rate of Indian currency has significant bearing on profitability of the company

### **How our audit addressed the audit matter:**

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

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

5. The company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report including Annexures thereto. Business Responsibility Report, Corporate Governance and Share Holders' Information, but does not include the Standalone Financial Statements and our auditor's report there on.
6. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Management's Responsibility for the Standalone Financial Statements:**

8. The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements, that gives a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with IND AS and other accounting principles generally accepted in India, This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding of the assets of the Company; and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone

Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the Standalone Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
10. The Board of directors is also responsible for overseeing the company's financial reporting process.

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

11. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also;
  - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under sec-143(3)(i) of the Act. We are also responsible for expressing our opinion on whether the company has adequate internal financial control with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and base on the audit evidence obtained, whether a material uncertainty exists related to events or commissions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatement in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of

our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the Standalone Financial Statements.

**Communication with those charged with the governance:**

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence; and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of financial statements of the current year and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

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

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, and the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanations give to us, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; except the confirmations from debtors and creditors.
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the statement of Profit & Loss including Other Comprehensive Income, the statement of Cash Flow and the statement of Change in Equity dealt with by this report are in agreement with the books of accounts;
- d. in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended); save and except to the extent as stated in note no. 24 regarding AS 15 for employees' benefits to the Standalone Financial Statements.
- e. on the basis of written representations received from the directors as on 31 March, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164(2) of the Act; and
- f. with respect to the adequacy of internal financial controls over financial reporting of the Company with reference to financial

statements of the company and the operative effectiveness of such controls, refer to our separate report in "Annexure 2" of this report.

- g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31.03.2024 on its financial position in its standalone IND-AS financial statements- refer Note 20 to the standalone IND AS financial statements;
  - ii. The Company did not have any long-term contracts including derivatives contract for which there were any material foreseeable losses; and
  - iii. A sum of Rs. 0.97 Lakhs relating to Financial Year 2015-16 is transferred to the credit of Investors' Protection Fund and there is no due and outstanding for transfer to the credit of the Investors' Protection Fund as on 31.03.2024 (Previous Year Rs. 0.55 Lakhs).

For **GSA & ASSOCIATES LLP**  
CHARTERED ACCOUNTANTS  
(FRN 000257N)

**(DEEPA JAIN)**  
PARTNER

Place: Delhi.

MEMBERSHIP NO.119681

Dated: 30th May, 2024 UDIN : 24119681BKBHQP7784

## ANNEXURE I

### Referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our independent auditor's report of even date

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone Financial Statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner during the year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. According to the information and explanations given to us some portions of the fixed Assets of the company have been physically verified by the company's management during the year. We are informed that no material discrepancies were noticed on such verification. We have relied upon the management's representation for the same.
- (c) Based on our audit procedure performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year except material in transit and stocks lying with third parties and in bonded warehouses, if any, which are verified with reference to the certification obtained and/or subsequent clearing of goods.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) In our opinion and according to the information and explanations given to us, the Company has granted unsecured loan to companies, firms and other parties covered in the register maintained under Section 189 of the Act.
  - (a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest;
  - (b) the schedule of repayment of principal and payment of interest, where applicable, has been stipulated and the repayments or receipts are regular;
  - (c) No amount is overdue, and the company has taken necessary action for recovery of the principal and interest wherever applicable.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of sections 185 and 186 of the Act in respect of loans and advances given, investments made and guarantees, and securities given to parties covered under the respective sections have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended.
- (vi) The maintenance of cost record has been specified by the Central Government under Section 148 (1) of the Act. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



(vii) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax including Value Added Tax, wealth tax, service tax, Goods and Service Tax, duty of

customs, duty of excise, cess and other material statutory dues, as applicable, to each of them respectively with the appropriate authorities. There were no arrears of undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date it became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess, GST on account of any dispute, the amount involved and the forum where disputes are as follows:-

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ in Lakh)
Income Tax Act 1961	Income Tax	Chief Commissioner of Income Tax	A.Y.2002-2003	5.90
			A.Y.2003-2004	11.45
			A.Y.2004-2005	0.05
	Income Tax	Assessing officer for rectification	A.Y.2005-2006	8.57
			A.Y.2006-2007	2.84
			A.Y.2007-2008	1.81
			A.Y.2008-2009	1.60
			A.Y.2011-2012	1.38
			A.Y.2012-2013	11.97
	Income Tax	Commissioner of Income Tax (Appeals)	A.Y.2013-2014	64.56
			A.Y.2014-2015	134.86
			A.Y.2015-2016	0.18
A.Y.2016-2017			15.12	
A.Y.2018-2019			31.04	
A.Y.2019-2020	34.80			
Income Tax	Deputy Commissioner of Income Tax (Appeals)	A.Y. 2017-18	32.22	
Income Tax (TCS)	Commissioner of Income Tax (Appeals)	A.Y. 2012-13 to A.Y. 2018-19	9.96	

(viii) According to the records of the company examined by us and information and explanations given to us, in our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or Government during the year. The company did not have any outstanding debentures during the year.

(ix) In our opinion and according to the information and explanation given to us the company did not raise money by way of initial public offer or further public offer (including debt instruments)

during the year. In our opinion and according to the information and explanation given to us, the money raised by way of term loan by the company, have, prima-facie, been applied for the purposes for which the loans were obtained.

(x) To the best our knowledge and according to the information and explanations given to us no fraud on or by the Company or by its Officers or employees has been noticed or reported during the period covered by our audit.

- (xi) In our opinion and according to the information and explanations given to us, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company and accordingly, Clause 3 (xii) of the Companies (Auditor's report), Order, 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone ND AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us; during the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3 (xiv) of the Order is not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them therefore the provisions of Clause 3 (xv) of the Companies (Auditor's report), Order, 2016 is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **GSA & ASSOCIATES LLP**  
CHARTERED ACCOUNTANTS  
(FRN 000257N)

**(DEEPA JAIN)**

PARTNER

Place: Delhi.

Dated: 30th May, 2024

MEMBERSHIP NO.119681

## ANNEXURE "2"

### TO THE INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS OF EVEN DATE OF AKAR AUTO INDUSTRIES LIMITED

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

We have audited the internal financial controls over financial reporting of AKAR AUTO INDUSTRIES LIMITED ("the Company") as of March, 31st 2024 in conjunction with our audit of the IND-AS Standalone Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls:**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting, and the guidance note on internal financial controls over financial reporting (the guidance Note) issued by the ICAI. Those standards

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of IND AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles

and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

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

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

#### **Opinion**

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

over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **GSA & ASSOCIATES LLP**  
CHARTERED ACCOUNTANTS  
(FRN 000257N)

**(DEEPA JAIN)**  
PARTNER

Place: Delhi.  
Dated: 30th May, 2024

MEMBERSHIP NO.119681

# Balance Sheet as at 31st March 2024

(₹ in Lakhs)

	Notes	As at 31st March 2024	As at 31st March 2023
<b>A. ASSETS</b>			
<b>1. Non current assets</b>			
a. Property plant & equipment and Intangible Assets	5	5,546.26	4,115.42
b. Capital work in progress	5	-	77.03
c. Financial assets			
i) Investment	6	6.30	6.30
ii) Other financial assets	7 i	250.00	250.00
<b>Total non current assets</b>		<b>5,802.56</b>	<b>4,448.75</b>
<b>2. Current assets</b>			
a. Inventories	8	8,887.15	7,858.36
b. Financial assets			
i) Trade receivables	9	5,501.89	4,878.24
ii) Cash & cash equivalents	10	32.58	113.89
iii) Bank balances other than cash and cash equivalents	10	303.29	270.90
iv) Loans & advances	7 ii a	-	-
v) Other financial assets	7 ii b	384.98	503.22
c. Other current assets	11	711.89	617.99
<b>Total current assets</b>		<b>15,821.78</b>	<b>14,242.60</b>
<b>TOTAL ASSETS</b>		<b>21,624.34</b>	<b>18,691.35</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
a. Equity share capital	12	539.40	539.40
b. Other equity	13	3,908.00	3,417.50
<b>Total equity</b>		<b>4,447.40</b>	<b>3,956.90</b>
<b>2. Liabilities</b>			
<b>Non current liabilities</b>			
a. Financial liabilities			
i) Borrowings	14	2,748.27	2,012.31
b. Provision	18 a	364.85	341.69
c. Deferred tax liability (net)	15	564.38	355.90
<b>Total non current liabilities</b>		<b>3,677.50</b>	<b>2,709.90</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i) Borrowings	14	5,059.44	3,928.70
ii) Trade payables	16	6,969.55	6,443.19
iii) Other financial liabilities	17	635.97	791.08
b. Short term provision	18 a	19.87	18.46
c. Current Tax liabilities	18 b	78.91	178.98
d. Other current liabilities	19	735.70	664.14
<b>Total current liabilities</b>		<b>13,499.44</b>	<b>12,024.55</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>21,624.34</b>	<b>18,691.35</b>
See accompanying notes to the financial statement			

As per our report of even date  
**For M/s GSA & Associates LLP**  
 Chartered Accountants  
 (FRN 000257N)

**Deepa Jain**

Partner  
 Membership No. 119681

Place: Chh. Sambhaji Nagar, (Aurangabad)  
 Date: 30th May 2024  
 UDIN No.: 24119681BKBHKP7784

**For and on behalf of the board of directors of Akar Auto Industries Limited**

**N. K. Gupta**  
 Chairman  
 DIN:00062268

**Pawan Kumar Gupta**  
 Chief Finance Officer

Place: Chh. Sambhaji Nagar, (Aurangabad)  
 Date: 30th May 2024

**Sunil Todi**  
 Managing Director  
 DIN:00061952

**Radhyyeshyam Rathi**  
 Company Secretary

## Statement of Profit and Loss for the year ended 31st March 2024

(₹ in Lakhs)

	Notes	Year ended 31st March 2024	Year ended 31st March 2023
<b>INCOME</b>			
Revenue from operations	20	37,381.84	36,706.67
Other income	21	23.67	18.02
<b>Total Income (I)</b>		<b>37,405.51</b>	<b>36,724.69</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	23,619.80	23,180.10
Changes in inventories of finished goods, stock in trade and work-in-progress	23	-464.81	541.68
Employee benefits expense	24	4,472.86	3,932.50
Finance costs	25	1,118.06	1,004.11
Depreciation and amortisation expense	26	404.33	405.33
Other expenses	27	7,364.46	6,831.84
<b>Total expense (II)</b>		<b>36,514.70</b>	<b>35,895.56</b>
<b>Profit before exceptional items and tax (I-II)</b>		<b>890.81</b>	<b>829.13</b>
Exceptional items	28	-	-
<b>Profit before tax</b>		<b>890.81</b>	<b>829.13</b>
<b>Tax expense</b>			
Current tax expense	29	133.12	204.12
Deferred tax	29	208.47	-62.93
<b>Total tax expense</b>		<b>341.59</b>	<b>141.19</b>
<b>Profit for the year (A)</b>		<b>549.22</b>	<b>687.94</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items to be reclassified to profit or loss :			
a) Remeasurements of the defined benefit plans (net of tax)		-4.78	20.91
Items not to be reclassified to profit or loss :			
b) Equity instruments through other comprehensive income (net of tax)		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>-4.78</b>	<b>20.91</b>
<b>Total Income for the year (A+B)</b>		<b>544.44</b>	<b>708.85</b>
<b>Earnings per share (of ₹5 each)</b>			
(1) Basic (in ₹)	30	5.09	6.38
(2) Diluted (in ₹)	30	5.09	6.38
See accompanying notes to the financial statements (1-4)			

As per our report of even date  
**For M/s GSA & Associates LLP**  
 Chartered Accountants  
 (FRN 000257N)

**Deepa Jain**  
 Partner  
 Membership No. 119681  
 Place: Chh. Sambhaji Nagar, (Aurangabad)  
 Date: 30th May 2024  
 UDIN No.: 24119681BKHKP7784

For and on behalf of the board of directors of Akar Auto Industries Limited

**N. K. Gupta**  
 Chairman  
 DIN:00062268

**Pawan Kumar Gupta**  
 Chief Finance Officer

Place: Chh. Sambhaji Nagar, (Aurangabad)  
 Date: 30th May 2024

**Sunil Todi**  
 Managing Director  
 DIN:00061952

**Radhyeshyam Rathi**  
 Company Secretary

## Cash Flow Statement for the year ended 31st March 2024

(₹ in Lakhs)

	Year ended 31st March 2024	Year ended 31st March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit for period	549.22	687.94
Adjustments for:		
Income Tax expense	341.59	141.19
Finance cost	1,118.06	1,004.11
Depreciation and amortisation expenses	404.33	405.33
Interest income and Other Income	-23.67	-18.02
<b>Operating profit before changes in working capital</b>	<b>2,389.52</b>	<b>2,220.55</b>
<b>Adjustments for changes in working capital :</b>		
Movement in trade receivables	-623.64	-1,337.74
Movement in inventories	-1,028.79	-359.01
Movement in other financial assets	118.24	-236.23
Movement In other assets	-93.91	-399.10
Movement in trade payables	526.36	2,268.94
Movement in other financial liabilities	-155.11	60.78
Movement in other liabilities	-8.72	441.98
<b>Cash generated from operations</b>	<b>-1,265.57</b>	<b>439.61</b>
Direct Taxes	-133.12	-204.12
<b>Net cash generated from operating activities (A)</b>	<b>990.84</b>	<b>2,456.04</b>
<b>B. Cash flow from investing activities:</b>		
Interest received and Other Income	23.67	18.02
Payment for purchase for PPE	-1,758.14	-810.25
<b>Net cash used in investing activities (B)</b>	<b>-1,734.46</b>	<b>-792.22</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds/repayment of long term borrowings	735.96	-504.76
Proceeds from working capital finance	1,130.74	-76.79
Finance cost paid	-1,118.06	-1,004.11
Dividend paid (including dividend distribution tax)	-53.94	-
<b>Net cash generated in financing activities (C)</b>	<b>694.70</b>	<b>-1,585.66</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>-48.92</b>	<b>78.16</b>

## Cash Flow Statement for the year ended 31st March 2024

(₹ in Lakhs)

	Year ended 31st March 2024	Year ended 31st March 2023
<b>Cash and cash equivalents at the beginning of the year</b>		
Cash in hand	0.92	2.12
Balance with bank in current account & deposit account	377.84	299.85
Balance with bank on unpaid dividend account	6.04	4.66
<b>Cash and cash equivalents at the beginning of the year (refer note 10)</b>	<b>384.79</b>	<b>306.63</b>
<b>Cash and cash equivalents at the end of the year</b>		
Cash in hand	0.92	0.92
Balance with bank in current account & deposit account	329.46	377.83
Balance with bank on unpaid dividend account	5.50	6.04
<b>Cash and cash equivalents at the end of the year (refer note 10)</b>	<b>335.87</b>	<b>384.79</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-48.92</b>	<b>78.16</b>

As per our report of even date

**For M/s GSA & Associates LLP**  
Chartered Accountants  
(FRN 000257N)

**Deepa Jain**  
Partner  
Membership No. 119681

Place: Chh. Sambhaji Nagar, (Aurangabad)  
Date: 30th May 2024  
UDIN No.: 24119681BKBHKP7784

**For and on behalf of the board of directors of Akar Auto Industries Limited**

**N. K. Gupta**  
Chairman  
DIN:00062268

**Pawan Kumar Gupta**  
Chief Finance Officer

Place: Chh. Sambhaji Nagar, (Aurangabad)  
Date: 30th May 2024

**Sunil Todi**  
Managing Director  
DIN:00061952

**Radhyeshyam Rathi**  
Company Secretary



## Statement of Changes In Equity for the year ended 31st March 2024

(₹ in Lakhs)

Particulars	Equity share capital	Other Equity				Total other equity	Total equity
		Reserves & Surplus			Other Comprehensive Income		
		Securities premium Reserve	Retained earnings	General reserve	Equity instrument through OCI		
<b>As at 1 April, 2022</b>	<b>539.40</b>	<b>351.00</b>	<b>1,989.84</b>	<b>366.97</b>	<b>0.84</b>	<b>2,708.64</b>	<b>3,248.04</b>
Profit for the year	-	-	687.94	-	-	687.94	687.94
Amount transferred from statement of profit & loss	-	-	-50.00	-	-	-50.00	-50.00
Other Comprehensive Income	-	-	20.91	-	-	20.91	20.91
<b>Total Comprehensive Income</b>	<b>539.40</b>	<b>351.00</b>	<b>2,648.69</b>	<b>366.97</b>	<b>0.84</b>	<b>3,367.49</b>	<b>3,906.89</b>
Payment of dividends	-	-	-	-	-	-	-
Payment of dividend distribution tax	-	-	-	-	-	-	-
Amount transfer from retained earning to general reserve	-	-	-	50.00	-	50.00	50.00
<b>At 31 March 2023</b>	<b>539.40</b>	<b>351.00</b>	<b>2,648.69</b>	<b>416.97</b>	<b>0.84</b>	<b>3,417.49</b>	<b>3,956.89</b>
Profit for the year	-	-	549.22	-	-	549.22	549.22
Provision adjustment for earlier years	-	-	-	-	-	-	-
Amt transferred from statement of profit & loss	-	-	-50.00	-	-	-50.00	-50.00
Other Comprehensive Income	-	-	-4.77	-	-	-4.77	-4.77
<b>Total Comprehensive Income</b>	<b>539.40</b>	<b>351.00</b>	<b>3,143.14</b>	<b>416.97</b>	<b>0.84</b>	<b>3,911.94</b>	<b>4,451.34</b>
Payment of dividends	-	-	-53.94	-	-	-53.94	-53.94
Payment of dividend distribution tax	-	-	-	-	-	-	-
Amount transfer from retained earning to general reserve	-	-	-	50.00	-	50.00	50.00
<b>At 31st March 2024</b>	<b>539.40</b>	<b>351.00</b>	<b>3,089.20</b>	<b>466.97</b>	<b>0.84</b>	<b>3,908.00</b>	<b>4,447.40</b>

See accompanying notes to the financial statements

As per our report of even date

**For M/s GSA & Associates LLP**  
Chartered Accountants  
(FRN 000257N)

**Deepa Jain**  
Partner  
Membership No. 119681

Place: Chh. Sambhaji Nagar, (Aurangabad)  
Date: 30th May 2024  
UDIN No.: 24119681BKBHQP7784

For and on behalf of the board of directors of Akar Auto Industries Limited

**N. K. Gupta**  
Chairman  
DIN:00062268

**Pawan Kumar Gupta**  
Chief Finance Officer

Place: Chh. Sambhaji Nagar, (Aurangabad)  
Date: 30th May 2024

**Sunil Todi**  
Managing Director  
DIN:00061952

**Radhyeshyam Rathi**  
Company Secretary

# Notes to Financial Statements for the year ended 31st March 2024

## 1. Corporate Information

Akar Auto Industries limited is listed in India on Bombay stock Exchange (BSE). The company is in the business of manufacturing hand tools, auto leaf spring, parabolic springs & commercial automotive forging & has its manufacturing facilities in and around Chh. Sambhaji Nagar, (Aurangabad), (Maharashtra). The Registered Office of company is situated at 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai-400009, Maharashtra, India.

## 2. Summary of Significant accounting polices

### 2.1. Statement of compliance

For all periods upto & including the year ended March 2024, the company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 (Indian GAAP).

### 2.2. Basis of preparation and measurement

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

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

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

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

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

### 2.3. Foreign currency transaction & translation:

The functional currency of Akar Auto Industries Limited is Indian rupee.

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

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

## Notes to Financial Statements for the year ended 31st March 2024

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

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

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

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

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

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

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

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

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

## Notes to Financial Statements for the year ended 31st March 2024

### 2.6. Capital work-in-progress and intangible assets under development

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

### 2.7. Cash and cash equivalents

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

### 2.8. Financial instruments

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

#### Financial assets at amortized cost

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

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

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

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

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

#### Financial liabilities

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

#### Equity instruments

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

# Notes to Financial Statements for the year ended 31st March 2024

## 2.8. Derivative financial instruments

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

## 2.9. Impairment

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

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

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

### PPE and intangibles assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable, either fully or partially. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

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

## 2.10. Inventories

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

## 2.11. Revenue recognition

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

### 2.11.1 Sale of goods

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably; and
- It is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## Notes to Financial Statements for the year ended 31st March 2024

### 2.11.2 Rendering of services

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

### 2.11.3 Interest Income

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

### 2.11.4 Dividend

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

### 2.11.5 PSI Incentive

PSI Incentive is accounted on basis of accrual concept based on eligibility certificate received from Regional Joint Director of Industries, Chh. Sambhaji Nagar, (Aurangabad), (Maharashtra).

### 2.12. Leases

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

#### Finance Lease:

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

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

#### Operating lease:

Assets held under operating leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

### 2.13. Employee benefit expenses

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

#### 2.13.1 Post-employment benefit plans

##### Defined Contribution plans

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

## Notes to Financial Statements for the year ended 31st March 2024

### Defined benefit plans

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

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

### 2.13.2 Short term employee benefit

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

### 2.14. Borrowing cost

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

### 2.15. Income tax

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

#### Current tax

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

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

## Notes to Financial Statements for the year ended 31st March 2024

### Deferred tax

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

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

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

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

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

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

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

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

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

### 3.1. Dividend to equity shareholders

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

### 3.2. Earnings per share (EPS)

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



## Notes to Financial Statements for the year ended 31st March 2024

### 3.3. Exceptional Items

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

### 3.4. Current and Non-Current classification

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

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

All other assets are classified as non-current.

A Liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

### 3.5. Cash flow statement

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

## 4. Critical accounting judgments and key sources of estimation uncertainty

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

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

## Notes to Financial Statements for the year ended 31st March 2024

### **Critical Judgments**

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

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

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

### **Contingences and commitments**

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

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

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

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

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

### **Allowances for doubtful debts**

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

### **Allowances for inventories**

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

### **Liability for sales return**

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

# Notes to Financial Statements for the year ended 31st March 2024

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

(₹ in Lakhs)

Cost or deemed cost	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Finance lease Vehicle	Office equipments	Computer	Containers	Total
Balance at 1st April,2022	155.65	16.82	1,416.73	7,140.66	107.28	167.30	166.88	225.13	34.03	9,430.49
Additions	6.25	-	-	675.60	0.85	64.70	1.17	6.81	-	755.39
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at 31st March, 2023	161.90	16.82	1,416.73	7,816.26	108.14	232.00	168.06	231.94	34.03	10,185.88
Additions	-	2.93	6.34	1,785.07	3.33	26.01	6.91	4.58	-	1,835.17
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31st Mar, 2024</b>	<b>161.90</b>	<b>19.76</b>	<b>1,423.07</b>	<b>9,601.33</b>	<b>111.47</b>	<b>258.02</b>	<b>174.97</b>	<b>236.52</b>	<b>34.03</b>	<b>12,021.05</b>

(₹ in Lakhs)

Accumulated depreciation	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Finance lease Vehicle	Office equipments	Computer	Containers	Total
Balance at 1st April,2022	-	2.51	734.22	4,432.77	43.66	128.88	122.71	168.07	32.32	5,665.13
Depreciation expense	-	0.07	46.27	309.81	8.67	13.60	16.22	10.70	-	405.33
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance at 31st March, 2023	-	2.58	780.49	4,742.58	52.32	142.48	138.93	178.76	32.32	6,070.46
Depreciation expense	-	0.07	46.60	317.31	8.64	15.25	5.41	11.04	-	404.33
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31st Mar, 2024</b>	<b>-</b>	<b>2.65</b>	<b>827.09</b>	<b>5,059.89</b>	<b>60.97</b>	<b>157.73</b>	<b>144.34</b>	<b>189.80</b>	<b>32.32</b>	<b>6,474.79</b>

(₹ in Lakhs)

Carrying amount	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Finance lease Vehicle	Office equipments	Computer	Containers	Total
Balance at 1st April,2022	155.65	14.32	682.51	2,707.89	63.63	38.42	44.17	57.06	1.71	3,765.36
Additions	6.25	-	-	675.60	0.85	64.70	1.17	6.81	-	755.39
Disposals	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	0.07	46.27	309.81	8.67	13.60	16.22	10.70	-	405.33
Balance at 31st March, 2023	161.90	14.25	636.25	3,073.68	55.81	89.52	29.12	53.18	1.71	4,115.42
Additions	-	2.93	6.34	1,785.07	3.33	26.01	6.91	4.58	-	1,835.17
Disposals	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	0.07	46.60	317.31	8.64	15.25	5.41	11.04	-	404.33
<b>Balance at 31st Mar, 2024</b>	<b>161.90</b>	<b>17.11</b>	<b>595.98</b>	<b>4,541.44</b>	<b>50.50</b>	<b>100.29</b>	<b>30.62</b>	<b>46.72</b>	<b>1.71</b>	<b>5,546.26</b>
<b>CWIP as on 31.03.2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77.03</b>
<b>CWIP as on 31.03.2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Footnotes :

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

## Notes to Financial Statements for the year ended 31st March 2024

### Capital-Work-in Progress (CWIP) / Intangible assets under development (ITAUD)

(a) For Capital-work-in progress / Intangible assets under development (ITAUD), following ageing schedule shall be given:

#### CWIP/ITAUD aging schedule:

CWIP/ITAUD	Amount in CWIP for a period of 31.03.2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

CWIP/ITAUD	Amount in CWIP for a period of 31.03.2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	77.03	-	-	-	77.03
Projects temporarily suspended	-	-	-	-	-

### 6. INVESTMENTS

(₹ in Lakhs)

	Units	As at 31st March, 2024	Units	As at 31st March, 2023
<b>Non-current</b>				
<b>Investment - Quoted</b>		-		-
<b>Total aggregate quoted investments (A)</b>		-		-
<b>Investment in Equity - Unquoted</b>				
(a) Investments carried at fair value through other comprehensive income (FVTOCI)				
(i) Gupta Concast limited	6300.00	6.30	6300.00	6.30
<b>Total aggregate unquoted investments (B)</b>		<b>6.30</b>		<b>6.30</b>
<b>Total non-current investments (A+B)</b>		<b>6.30</b>		<b>6.30</b>

### 7. OTHER FINANCIAL ASSETS (at amortised cost)

(₹ in Lakhs)

(Unsecured, considered good unless otherwise stated)	As at 31st March, 2024	As at 31st March, 2023
<b>(i) Non-Current</b>		
Security deposits*	250.00	250.00
<b>Total (A)</b>	<b>250.00</b>	<b>250.00</b>
<b>(ii) Current</b>		
<b>Loans and Advances &amp; other financial assets</b>		
Loans and advances to related parties		
1 Security Deposit	129.00	-
2 Advances to supplier	234.09	167.59
3 Interest accrued on fixed deposit with bank	21.90	303.80
4 Others	-	31.83
<b>Total (B)</b>	<b>384.98</b>	<b>503.22</b>
<b>Total other financial assets (A+B)</b>	<b>634.98</b>	<b>753.22</b>

#### Footnote:

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

## Notes to Financial Statements for the year ended 31st March 2024

### 8. INVENTORIES\*

(₹ in Lakhs)

(valued at lower of cost or net realisable value)	As at 31st March, 2024	As at 31st March, 2023
Raw Materials	1,605.99	1,308.37
Work-in-Progress	3,554.45	3,223.83
Finished goods (other than those acquired for trading)	1,591.93	1,471.52
Scrap & Packing Material	118.58	104.79
Stores & Spares	2,016.20	1,749.85
<b>Total</b>	<b>8,887.15</b>	<b>7,858.36</b>

#### Footnote:

- The mode of valuation of inventories has been stated in note 2.10

### 9. TRADE RECEIVABLES\*

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
<b>Current</b>		
Unsecured, considered good	5,480.55	4,841.31
Unsecured, considered doubtful	21.33	36.93
<b>Total</b>	<b>5,501.89</b>	<b>4,878.24</b>

#### Footnote:

- The credit period ranges from 7 days to 120 days.
- Before accepting any new customer, the company assesses the potential customer's credit quality and define credit limits by customer. Limits attributed to customer are reviewed annually.
- There is no trade receivables due from directors or other officer of the company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner or a director or a member (refer note 7)

\*Loans are secured by first charge on stock (including raw material ,finished goods and work in progress) and book debts (refer note 8 , 9 & 14)

## Notes to Financial Statements for the year ended 31st March 2024

### Trade Receivables ageing schedule as at 31st March, 2024

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	5,195.19	148.78	114.93	13.94	7.71	5,480.55
(ii) Undisputed Trade receivables -considered doubtful	12.87	7.24	1.22	-	-	21.33
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

### Trade Receivables ageing schedule as at 31st March, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	4,698.32	74.67	64.08	0.55	3.70	4,841.31
(ii) Undisputed Trade receivables -considered doubtful	15.97	17.88	3.08	-	-	36.93
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

### 10. CASH AND BANK BALANCES

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
<b>a Cash and cash equivalents (As per AS-3)</b>		
Balance with Banks - In Current Accounts	31.66	112.97
Cash on Hand	0.92	0.92
<b>Total (A)</b>	<b>32.58</b>	<b>113.89</b>
<b>b Other bank balances</b>		
Earmarked balances with banks		
i. Balance held for unpaid /unclaimed dividend.	5.50	6.04
ii. Bank deposits as margin money against bank guarantees and letter of credit facility. (With original maturity of more than 12 months, on reporting date maturity time is less than 12 month)	297.80	264.86
<b>Total (B)</b>	<b>303.29</b>	<b>270.90</b>
<b>Total (A+B)</b>	<b>335.87</b>	<b>384.79</b>

## Notes to Financial Statements for the year ended 31st March 2024

### 11. OTHER ASSETS

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
<b>Current</b>		
Export benefit receivables	116.47	76.57
Advances to employees	13.26	61.58
Others advances & receivables	530.53	427.01
Prepaid expense	51.64	52.83
	<b>711.89</b>	<b>617.99</b>

### 12. SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
<b>Authorised shares capital*</b>		
2,00,00,000 Equity shares of Rs 5/- each (Previous Year: 2,00,00,000 equity shares of Rs 5/- each)	1,000.00	1,000.00
<b>Issued, subscribed and fully paid-up shares (in numbers)</b>		
1,07,88,010 Equity shares of Rs 5/- each (Previous Year: 1,07,88,010 Equity shares of Rs 5/- each)	539.40	539.40
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>539.40</b>	<b>539.40</b>

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

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the assets of the company, in proportion to the number of equity shares held by the shareholders.

#### c Details of shareholders holding more than 5% shares in the company:

Equity shares of ₹ 5 each fully paid

Equity shares with voting rights	As at 31st March, 2024		As at 31st March, 2023		% Changes during the year
	Number of shares	% of holding	Number of shares	% of holding	
Name of Shareholder					
Usha Gupta	22,35,400	20.72	22,35,400	20.72	0
Narendra Kumar Gupta	16,77,780	15.55	16,77,780	15.55	0
R L Gupta (HUF)	12,38,250	11.48	12,38,250	11.48	0
Akar Alloys Pvt Ltd	8,58,796	7.96	8,58,796	7.96	0
Nitin Gupta	6,34,400	5.88	6,34,400	5.88	0

d. As per records of the company as at 31st March 2023, no calls remain unpaid by directors & officers of the company.

## Notes to Financial Statements for the year ended 31st March 2024

### 13. OTHER EQUITY

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
a. General reserve	466.97	416.97
b. Securities premium reserve	351.00	351.00
c. Retained earnings	3,089.19	2,648.69
d. Reserve for equity instruments through Other Comprehensive income	0.84	0.84
<b>Total</b>	<b>3,908.00</b>	<b>3,417.50</b>

#### a. General reserve

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	416.97	366.97
Net additions during the year	50.00	50.00
<b>Balance at the end of the year</b>	<b>466.97</b>	<b>416.97</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### b. Securities premium reserve

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	351.00	351.00
Movement	-	-
<b>Balance at the end of year</b>	<b>351.00</b>	<b>351.00</b>

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

#### c. Retained earnings

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	2,648.69	1,989.84
Profit for the year	549.22	687.94
Other Comprehensive income arising from remeasurement of defined benefit obligation (net of taxes)	-4.78	20.91
Payment of dividend on equity shares- Final	-53.94	-
Payment of dividend distribution tax on equity shares	-	-
Transfer to general reserves	-50.00	-50.00
Other adjustment		
<b>Balance at the end of the year</b>	<b>3,089.19</b>	<b>2,648.69</b>



## Notes to Financial Statements for the year ended 31st March 2024

### d. Reserve for equity instruments through Other Comprehensive Income

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	0.84	0.84
Additions during the year	-	-
<b>Balance at the end of the year</b>	<b>0.84</b>	<b>0.84</b>

### 14(a) LONG TERM BORROWINGS

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
<b>Secured-at amortised cost</b>		
Term loan from bank/financial institute* (refer note below i)	2,158.42	1,439.95
Finance lease obligation* (refer below note ii)	36.59	44.16
<b>Unsecured-at amortised cost</b>		
Others	553.26	528.20
<b>Total</b>	<b>2,748.27</b>	<b>2,012.31</b>

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

Particulars	As at 31st March, 2024	As at 31st March, 2023	Rate of Interest	Terms of Repayment
Secured term loan from Canara Bank (refer footnote)	288.55	439.09	RLLR + Spread	The loan is repayable in 72 monthly installments. The repayment begins from month of Oct 18 and last EMI fall due on Feb 26 (incl. additional period of COVID)
Secured term loan from Canara Bank (refer footnote)	211.11	527.78	RLLR	The loan is repayable in 48 monthly installments. The repayment begins from month of Dec 21 and last EMI fall due on March 25
Secured term loan from Canara Bank (refer footnote)	501.56	535.00	RLLR	The loan is repayable in 48 monthly installments. The repayment begins from month of Dec 23 and last EMI fall due on Nov 27
Secured term loan from Canara Bank (refer footnote)	1,129.55	290.32	RLLR	The loan is repayable in 70 monthly installments. The repayment begins from month of May 24 and last EMI fall due on Mar 30
Secured term loan from Siemens Financial Services Private Limited. Term loan is secured by exclusive hypothecation over assets funded by SFSP.	-	17.19	Fixed Interest rate	The loan is repayable in 36 monthly installments. The repayment begins from month of Feb 20 and last EMI fall due on Jul 2023 (incl. additional period of COVID)
Secured term loan from Siemens Financial Services Private Limited. Term loan is secured by exclusive hypothecation over assets funded by SFSP.	27.61	40.09	Fixed Interest rate	The loan is repayable in 36 monthly installments. The repayment begins from month of Dec 22 and last EMI fall due on Nov 25
Secured term loan from Siemens Financial Services Private Limited. Term loan is secured by exclusive hypothecation over assets funded by SFSP.	92.73	119.48	Fixed Interest rate	The loan is repayable in 48 monthly installments. The repayment begins from month of Jan 23 and last EMI fall due on Dec 26
Secured term loan from SBI. Term loan is secured by exclusive hypothecation over assets funded by SBI i.e. Solar.	382.06	-	Fixed Interest rate	The loan is repayable in 72 monthly installments. The repayment begins from month of Oct 23 and last EMI fall due on Sept 29

## Notes to Financial Statements for the year ended 31st March 2024

Particulars	As at 31st March, 2024	As at 31st March, 2023	Rate of Interest	Terms of Repayment
Vehicle Loan (secured on vehicle)				
PNB - Car Loan A/c No-098100NG00009844	-	0.42	Fixed Interest rate	The loan is repayable in 84 monthly installments. The repayment begins from month of Oct 16 and last EMI fall due on Sept 23
HDFC - Car Loan	12.52	15.32	Fixed Interest rate	The loan is repayable in 60 monthly installments. The repayment begins from month of Dec 22 and last EMI fall due on Nov 27
PNB Skoda Car Loan	28.92	33.35	Fixed Interest rate	The loan is repayable in 84 monthly installments. The repayment begins from month of Mar 22 and last EMI fall due on Mar 29
HDFC Toyota Car Loan	20.56	-	Fixed Interest rate	The loan is repayable in 48 monthly installments. The repayment begins from month of Nov 23 and last EMI fall due on Oct 27
Unsecured loan from H P Finance	-	2.64	Fixed Interest rate	The loan is repayable in Quarterly installments. The repayment begins from month of Nov 18 and last EMI fall due on Nov 23
Unsecured loan from Akar Industries Ltd.	191.04	118.39	Fixed Interest rate	This loan is repayable at the end of 7 years
Unsecured loan from N K Gupta	187.82	249.82	Interest Free	This loan is repayable at the end of 7 Years
Unsecured loan from Gupta Concast Ltd	174.40	160.00	Fixed Interest rate	This loan is repayable at the end of 7 Years

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

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

### 14(b) SHORT TERM BORROWINGS

(₹ in Lakhs)

Borrowings	As at 31st March, 2024	As at 31st March, 2023
<b>Secured - at amortised cost</b>		
Loans repayable on demand from banks (refer footnote)		
Banks overdrafts & cash credit facility*	5,031.72	3,743.57
<b>Unsecured - at amortised cost</b>		
Banks	-	-
Non Banking Financial Institute	27.73	185.14
<b>Total</b>	<b>5,059.44</b>	<b>3,928.70</b>

#### Footnote:

- Rupee term loan from Canara Bank is secured by first charged by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the company, both present & future except excluded assets, subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

The above term loan and working capital loan from Canara bank is also further secured by personal guarantees of some Directors and collateral security by way of mortgage of Land and Building of M/s Gupta Concast Ltd.

## Notes to Financial Statements for the year ended 31st March 2024

### 15. DEFERRED TAX BALANCES

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

	As at 31st March, 2024	As at 31st March, 2023
Deferred tax liabilities (DTL)	564.37	355.90
<b>Total</b>	<b>564.37</b>	<b>355.90</b>

Deferred tax movement	2023-24	2022-23
Opening Balance	355.90	418.83
DTL Recognised in statement of profit or loss	208.47	-62.93
<b>Closing Balance</b>	<b>564.37</b>	<b>355.90</b>

### 16. TRADE PAYABLES

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
<b>Trade payables</b>		
Total outstanding dues of creditors against LC acceptances	1,369.60	1,442.18
Total outstanding dues of creditors	5,599.96	5,001.01
<b>Total</b>	<b>6,969.55</b>	<b>6,443.19</b>

#### Footnote:

Based on the information available with the Company, details of dues outstanding in respect of Micro, Small and Medium Enterprises at the balance sheet date which were outstanding for more than 45 days are given in note no.32

#### Trade Payables ageing schedule: As at 31st March, 2024

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	38.23	-	-	-	38.23
(ii) Others	6,888.95	108.48	4.49	9.50	7,011.42
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

#### Trade Payables ageing schedule: As at 31st March, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	126.43	-	-	-	126.43
(ii) Others	6,166.88	138.63	2.28	8.97	6,316.76
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

## Notes to Financial Statements for the year ended 31st March 2024

Note : Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since few intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2024, disclosures relating to amounts unpaid as at the year end, if any, have been furnished to that extend. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

### 17. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
<b>Current</b>		
(a) Current maturity of long term borrowings*		
Finance lease obligation	4.85	4.92
Term loan from banks and financial institute	495.30	529.00
(b) Unclaimed dividends	5.50	6.04
(c) Others		
Creditors for capital purchases	80.10	29.19
Advances received from customer	50.23	221.15
Others	-	0.78
<b>Total</b>	<b>635.97</b>	<b>791.08</b>

\* refer note 14

### 18 a. PROVISIONS

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
<b>Employee Benefits</b>		
<b>Non Current</b>		
Gratuity	304.47	281.86
Compensated Absence	60.38	59.83
<b>Total</b>	<b>364.85</b>	<b>341.69</b>
<b>Current</b>		
Gratuity	-	-
Compensated Absence	19.87	18.46
<b>Total</b>	<b>19.87</b>	<b>18.46</b>

### 18 b. CURRENT TAX LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Provision for Taxation (Net of Advance Tax, TDS, TCS)	78.91	178.98
<b>Total</b>	<b>78.91</b>	<b>178.98</b>

## Notes to Financial Statements for the year ended 31st March 2024

### 19. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Provident fund & other employee deduction payable	7.40	7.84
Statutory dues		
GST refund receivable	-69.50	-85.77
Other statutory dues payable	49.99	45.57
Other liabilities	747.81	696.50
<b>Total</b>	<b>735.70</b>	<b>664.14</b>

### 20. REVENUE FROM OPERATIONS

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
a Sale of products - Export Sales	7,252.44	6,143.61
Sale of products - Domestic Sales	28,103.19	28,257.85
b Other operating revenues *	2,026.20	2,305.21
<b>Total</b>	<b>37,381.84</b>	<b>36,706.67</b>
*Other operating revenues consists of -		
Export Incentive	195.27	166.60
Sales of Scrap	1,620.47	1,715.18
Net foreign exchange gain/ (losses)	59.44	39.62
Other Misc. Income / PSI Incentive	151.01	383.81
<b>Total</b>	<b>2,026.20</b>	<b>2,305.21</b>

### 21. OTHER INCOME

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest income on securities of Fixed Deposits with Banks carried at amortised cost and Other Income	23.67	18.02
<b>Total</b>	<b>23.67</b>	<b>18.02</b>

### 22. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening raw material stock at the beginning of the year	1,308.37	1,106.07
Add: Purchases *	23,917.42	23,382.40
	<b>25,225.79</b>	<b>24,488.47</b>
Less: Closing stock raw material stock at the end of the year	1,605.99	1,308.37
Cost of material consumed	<b>23,619.80</b>	<b>23,180.10</b>

\*Cost of material consumed includes job work expense Rs 793.58 Lakhs (previous year it was Rs 850.61 Lakhs)

## Notes to Financial Statements for the year ended 31st March 2024

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

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>Inventories at the end of the year</b>		
Finished goods	1,591.93	1,471.52
Work-in-process	3,554.45	3,223.84
Scrap and Packing	118.58	104.79
	<b>5,264.96</b>	<b>4,800.15</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	1,471.52	1,766.79
Work-in-process	3,223.84	3,447.90
Scrap and Packing	104.79	127.14
	<b>4,800.16</b>	<b>5,341.83</b>
<b>Net decrease / (increase)</b>	<b>-464.81</b>	<b>541.68</b>

### 24. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries, wages and bonus	4,167.22	3,597.50
Director's Remuneration	102.21	109.90
Contribution to provident and other funds (refer note 35)	153.26	197.58
Staff welfare expenses	50.17	27.52
<b>Total</b>	<b>4,472.86</b>	<b>3,932.50</b>

### 25. FINANCE COSTS

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest expense on:		
Borrowings	1,017.65	861.12
Other borrowing costs	100.41	142.99
<b>Total</b>	<b>1,118.06</b>	<b>1,004.11</b>

### 26. Depreciation & amortisation expense

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation of property, plant & equipment.(refer note 5)	404.33	405.26
Amortation of lease hold land	0.00	0.07
<b>Total</b>	<b>404.33</b>	<b>405.33</b>

## Notes to Financial Statements for the year ended 31st March 2024

### 27. OTHER EXPENSES

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
a Consumption of stores and spare parts	1,883.36	1,539.57
b Consumption of packing materials	390.31	386.38
c Power and fuel	3,009.73	2,974.73
d Water charges	29.85	20.47
e Repairs and maintenance - Buildings	15.56	34.71
f Repairs and maintenance - Machinery	95.95	122.19
g Repairs and maintenance - Others	79.15	84.00
h Insurance	33.03	30.36
i Rent Rates and taxes	183.35	174.81
j Director's Sitting Fees	9.20	8.99
k Communication	16.34	14.86
l Travelling and conveyance	200.35	153.83
m Printing and stationery	2.93	1.95
n Freight and forwarding	823.64	760.07
o Sales discount	122.30	108.58
q Business promotion	84.73	122.33
r Donations and contributions	1.17	10.38
s Legal and professional	219.87	142.80
t Payment to Statutory Auditors*	2.40	2.40
u Miscellaneous expenses	152.23	136.61
<b>Total</b>	<b>7,355.44</b>	<b>6,830.00</b>

### Details of payment to auditors\*

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>As auditor-</b>		
Audit fee	2.00	2.00
Tax audit fee	0.40	0.40
<b>Total</b>	<b>2.40</b>	<b>2.40</b>

### Corporate social responsibility (CSR)

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>Amount required to be spent by the company during the year</b>	<b>9.02</b>	<b>1.84</b>
Amount of expenditure incurred	9.02	1.84
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
<b>Total</b>	<b>9.02</b>	<b>1.84</b>

## Notes to Financial Statements for the year ended 31st March 2024

### Corporate social responsibility (CSR)

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>Other disclosures</b>		
Reason for shortfall	-	-
Nature of CSR activities	-	-
Details of related party transactions *	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	-	-

### 28. EXCEPTIONAL ITEMS\*

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit / (Loss) on Sale of Investment	-	-
Profit / (Loss) on Sale of Fixed Assets (Vehicle)	-	-
Sundry balances written off	-	-
<b>Total</b>	-	-

### 29. INCOME TAX EXPENSE

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>a Provision for current tax (net of advance tax)</b>	-	-
<b>b Total Tax expense recognised in profit or loss</b>		
Current tax on profit for the year	133.12	204.12
<b>Total current tax expense (A)</b>	<b>133.12</b>	<b>204.12</b>
Short/(Excess) tax Provision for Earlier Years	-	-
<b>Total Short/(Excess) tax expense (B)</b>	-	-
Deferred tax		
In respect of current year	208.47	-62.93
<b>Total deferred tax expense (C)</b>	<b>208.47</b>	<b>-62.93</b>
<b>Total income tax expense recognise in statement of profit &amp; loss (A+B+C)</b>	<b>341.59</b>	<b>141.19</b>

### 30. EARNING PER SHARE

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit after tax	549.22	687.94
Weighted Average No. of Equity Shares Outstanding *	107.88	107.88
Nominal Value of shares (in Rs.)	5.00	5.00
Basic & Diluted Earnings Per Share (In Rs.)	5.09	6.38



## Notes to Financial Statements for the year ended 31st March 2024

### 31. CONTINGENT LIABILITIES AND COMMITMENTS

#### 1. Contingent Liabilities -

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
a Guarantees issued by banks on behalf of the company and outstanding	286.46	297.92
b Liabilities against the Company not acknowledged as debts		
for Income Tax	358.35	358.35
for GST	-	39.89
for TCS	9.96	9.96
c Foreign Bills and Inland bills discounted and outstanding	771.75	509.46
d Letters of Credit for Purchases	1,369.60	1,442.18

#### 2. Commitments

##### a. Capital Commitments

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	-	614.70

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

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	38.23	126.43

#### Footnote:

Based on the information available with the Company, details of dues outstanding in respect of Micro, Small and Medium Enterprises at the balance sheet date which were outstanding for more than 45 days are given above Further, no interest during the year has been paid or payable in respect thereof.

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditor.

### 33. RELATED PARTY DISCLOSURE

Information given in accordance with the requirements of Accounting Standard 18 - Related Party disclosures notified by Ministry of Corporate Affairs Under Section 188 of the Companies Act 2013 and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirement Regulation, 2015).

## Notes to Financial Statements for the year ended 31st March 2024

### 1. Name of the party and relationships

SL No.	Description of Relationship	Name of Related Parties
1	Enterprises over which Key Managerial Personnel are able to exercise significant influence	R.L. Steels & Energy Ltd.
		Akar Alloy Pvt Ltd
		Aurangabad Forgings Pvt Ltd.
		Gupta Concast Ltd
		Santh Eknath Rolling Mills Pvt Ltd
		Akar Industries Pvt Ltd
		Akar Minerals Pvt Ltd
		Lavanya Investments Pvt Ltd.
		Shatrunji Investments Pvt Ltd
		Meevin Agromach Pvt Ltd
2	Key Management Personnel	KBB Trading and Consultancy Pvt Ltd
		Mr. N. K. Gupta - Chairman
		Mr. Sunil Todi - Managing Director
		Mr. Pradeep Nijampurkar -Executive Diector
		Mr. Pawan Kumar Gupta-CFO
3	Relatives of Key Management Personnel	Mr. Radhyeshyam Rathi - CS (Appointed w.e.f. 14.08.2023)
		Mr. Nitin Gupta
		Mrs. Usha Devi Gupta
		Mrs. Sushila Devi Gupta (Demises on 16.05.2024)

### 2 Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2024

(₹ in Lakhs)

SI No.	Particulars	Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Management Personnel		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Part 1: Transaction During the Period</b>							
<b>1.</b>	<b>Sale of Goods</b>						
	R.L. Steels & Energy Ltd	1,594.78	1,660.31	-	-	1,594.78	1,660.31
	Meevin Agromach Pvt Ltd	31.09	29.22	-	-	31.09	29.22
	KBB Trading and Consultancy Pvt Ltd	99.26	-	-	-	99.26	-
<b>2.</b>	<b>Purchase of Goods</b>						
	R.L. Steels & Energy Ltd	74.95	8,286.09	-	-	74.95	8,286.09
	Meevin Agromach Pvt Ltd	136.04	30.33	-	-	136.04	30.33
	KBB Trading and Consultancy Pvt Ltd	128.62	-	-	-	128.62	-

## Notes to Financial Statements for the year ended 31st March 2024

### 2 Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2024 (₹ in Lakhs)

SI No.	Particulars	Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Management Personnel		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>3.</b>	<b>Loan / Advances Given / taken</b>						
	Akar Industries Pvt Ltd	-	-714.69	-	-	-	-714.69
	N K Gupta	-	249.82	-	-	-	249.82
	R L Gupta	-	-15.00	-	-	-	-15.00
<b>4.</b>	<b>Rent Expenses</b>						
	Aurangabad Forgings P Ltd.	18.25	3.00	-	-	18.25	3.00
	Gupta Concast Ltd	6.00	6.00	-	-	6.00	6.00
	Shatrunji Investments Pvt Ltd	0.78	0.78	-	-	0.78	0.78
<b>5.</b>	<b>Interest Expenses</b>						
	Akar Industries Pvt Ltd	11.84	11.84	-	-	11.84	11.84
	Gupta Concast Ltd	16.00	16.00	-	-	16.00	16.00
	<b>Remuneration</b>						
	Sunil Todi	-	-	108.08	112.30	108.08	112.30
	Pradeep Nijampurkar	-	-	21.67	36.35	21.67	36.35
	Usha Gupta	-	-	12.00	12.00	12.00	12.00
	Pawankumar Gupta	-	-	68.81	67.73	68.81	67.73
	Radhyeshyam Rathi (Appointed w.e.f. 14.08.2023)	-	-	22.30	-	22.30	-
	Mitesh Gadhiya (Resigned on 31.03.2023)	-	-	-	22.31	-	22.31
<b>Part 2: Balance at the end of the period</b>							
<b>2.</b>	<b>Trade Payable</b>						
	R.L. Steels & Energy Ltd	39.44	253.94	-	-	39.44	253.94
	Aurangabad Forgings P Ltd.	-	2.70	-	-	-	2.70
	Shatrunji Investments Pvt Ltd	-	0.78	-	-	-	0.78
	Gupta Concast Limited	-	5.39	-	-	-	5.39
	Meevin Agromach	55.63	2.79	-	-	55.63	2.79
	<b>Trade Receivable</b>						
	Akar Industries Pvt Ltd	-	372.89	-	-	-	372.89
	KBB Trading and Consultancy Pvt Ltd	76.41	-	-	-	76.41	-
<b>3.</b>	<b>Security Deposits (Against Rent)</b>						
	Gupta Concast Ltd	250.00	250.00	-	-	250.00	250.00
	Aurangabad Forgings P Ltd.	14.00	5.00	-	-	14.00	5.00

## Notes to Financial Statements for the year ended 31st March 2024

### 2 Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2024 (₹ in Lakhs)

SI No.	Particulars	Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Management Personnel		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>4.</b>	<b>Unsecured Loan</b>						
	Akar Industries Pvt Ltd.	191.04	118.39	-	-	191.04	118.39
	Gupta Concast Ltd	174.40	160.00	-	-	174.40	160.00
	N K Gupta	249.82	249.82	-	-	249.82	249.82
<b>5.</b>	<b>Investment in Shares (Unquoted)</b>						
	Gupta Concast Ltd	6.30	6.30	-	-	6.30	6.30
<b>6.</b>	<b>Managerial Remuneration (Payable)/Recoverable</b>						
	Sunil Todi	-	-	-0.53	-3.04	-0.53	-3.04
	Pawan Kumar Gupta	-	-	-3.69	-3.05	-3.69	-3.05
	Usha Gupta	-	-	-0.83	-0.86	-0.83	-0.86
	Mitesh Gadhiya (Resigned on 31.03.2023)	-	-	-	-5.14	-	-5.14
	Radhyeshyam Rathi (Appointed w.e.f.14.08.2023)	-	-	-1.91	-	-1.91	-
	Pradeep Nijampurkar	-	-	1.82	-36.35	1.82	-36.35

### 34. SEGMENT REPORTING

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

### 35. Employee benefit plan

#### a. Defined contribution plan

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

#### b. Defined benefit plan

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

## Notes to Financial Statements for the year ended 31st March 2024

### c. Investment risk:

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

### d. Interest risk:

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

### e. Longevity risk:

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

### f. Salary risk:

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

The principal assumptions used for purpose of actuarial valuation were as follows. (₹ in Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Discount Rate	7.30%	7.15%
Salary escalation rate	6.00%	6.00%
Expected return on Assets	7.00%	6.80%

Mortality rate is assumed based on Indian assured lives (2012-14)

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

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Service Cost:		
Current Service Cost	28.11	27.49
Interest Cost	30.93	27.47
Expected Return on Plan Assets	-10.31	-8.72
Past Service Cost	-	-
<b>Component of defined benefit cost recognised in profit or loss</b>	<b>48.73</b>	<b>46.24</b>
Remeasurement on net defined benefit liability:		
Actuarial (gain)/loss arising from change in financial assumption	2.87	-13.80
Actuarial gain/(loss) arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from experience adjustment	1.91	-7.11
Return on plan assets(excluding amount included in net interest expense)	-	-
<b>Component of defined benefit cost recognised in Other comprehensive income</b>	<b>4.78</b>	<b>-20.91</b>

## Notes to Financial Statements for the year ended 31st March 2024

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

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Present value of defined benefit obligation	455.66	422.74
Fair Value of Plan Assets	151.19	140.88
<b>Funded Status - (Surplus)/Deficit</b>	<b>304.47</b>	<b>281.86</b>
Restriction on assets recognised	-	-
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>304.47</b>	<b>281.86</b>

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

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Defined Benefit Obligation, Beginning of Period	422.74	416.49
Current Service Cost	28.11	27.49
Interest Cost	30.93	27.47
Actual Plan Participants' Contributions	-	-
Actuarial (gain)/loss arising from change in financial assumption	2.87	-13.80
Actuarial gain/(loss) arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from experience adjustment	1.91	-7.11
Actual Benefits Paid	-30.89	-27.80
Past Service Cost	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>455.66</b>	<b>422.74</b>

Movement in fair value of plan assets are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening Fair value of plan assets	140.88	132.16
Interest Income	10.31	8.72
Employers Contribution	-	-
Benefits Paid	-	-
Actuarial gain/(loss) on plan assets	-	-
<b>Closing Fair value of plan assets</b>	<b>151.19</b>	<b>140.88</b>

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

## Notes to Financial Statements for the year ended 31st March 2024

### g. Sensitivity Analysis

Particulars	For the year ended 31st March, 2024	
	Decrease	Increase
<b>Defined Benefit Obligation (Base)</b>		423
Discount Rate	465.51	446.20
Impact of increase/decrease in 50 bps on DBO	2.20%	-2.10%
Salary Growth Rate	446.05	465.57
Impact of increase/decrease in 50 bps on DBO	-2.10%	2.20%

### h. Expected Cash Flows

	31st March, 2024
Year 1	117.34
Year 2 to 5	239.52
Year 6 to 10	210.38
More than 10 Years	73.86

## 36. Financial Instruments

### Financial assets & liabilities

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

#### As at 31st March 2024

(₹ in Lakhs)

Financial assets	Fair Value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Investment	-	6.30	6.30	6.30
Trade receivables	-	5,501.89	5,501.89	5,501.89
Cash & bank balance	-	335.87	335.87	335.87
Other financial assets	-	634.98	634.98	634.98
<b>Total</b>	-	<b>6,479.04</b>	<b>6,479.04</b>	<b>6,479.04</b>

#### As at 31st March 2023

(₹ in Lakhs)

Financial assets	Fair Value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Investment	-	6.30	6.30	6.30
Trade receivables	-	4,878.24	4,878.24	4,878.24
Cash & bank balance	-	384.79	384.79	384.79
Other financial assets	-	753.22	753.22	753.22
<b>Total</b>	-	<b>6,022.55</b>	<b>6,022.55</b>	<b>6,022.55</b>

## Notes to Financial Statements for the year ended 31st March 2024

As at 31st March 2024

(₹ in Lakhs)

Financial assets	Fair Value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Borrowings	-	7,807.71	7,807.71	7,807.71
Trade payables	-	6,969.55	6,969.55	6,969.55
Other financial liabilities	-	635.97	635.97	635.97
<b>Total</b>	-	<b>15,413.24</b>	<b>15,413.24</b>	<b>15,413.24</b>

As at 31st March 2023

(₹ in Lakhs)

Financial assets	Fair Value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Borrowings	-	5,941.01	5,941.01	5,941.01
Trade payables	-	6,443.19	6,443.19	6,443.19
Other financial liabilities	-	791.08	791.08	791.08
<b>Total</b>	-	<b>13,175.28</b>	<b>13,175.28</b>	<b>13,175.28</b>

### 37. Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets at March 31, 2024 (₹ in Lakhs)

Financial assets	Date of Valuation	Total	Quoted price in active market (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Financial Assets					
Assets measured at fair value:					
Investment	31-Mar-24	-	-		

Quantitative disclosures fair value measurement hierarchy for assets at March 31, 2023 (₹ in Lakhs)

Financial assets	Date of Valuation	Total	Quoted price in active market (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Financial Assets					
Assets measured at fair value:					
Investment	31-Mar-23	-	-		



## Notes to Financial Statements for the year ended 31st March 2024

### 38. Financial risk management objective & policies

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

The company is exposed to various business risk such as market risk, credit risk, and liquidity risk.

The company's senior management oversees the management of these risk. The company has system based approach to risk management, established policies and procedures, and internal financial controls with object to ensure early identification, evaluation and management of key financial risk.

Accordingly the company's risk management frame work has objective of ensuring that such risk are managed with acceptable & approved parameters in disciplined and consistent manner and in compliance with applicable regulation. The board of directors reviews policies for managing each of these risk which are summarised below.

**Market risk-** Market risk is risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in market prices.

The company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The company enter into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts to hedge the exchange rate risk arising on import and exports.

#### Foreign Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting are as follows:

Particulars	Liabilities (Foreign Currency)		Liabilities (INR)	
	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023
In US Dollars (USD)	0.47	1.30	39.51	104.11
In Euro (EUR)	0.02	0.03	1.95	2.56

Particulars	Assets (Foreign Currency)		Assets (INR)	
	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023
In US Dollars (USD)	16.31	10.54	1,344.39	861.50
In Euro (EUR)	0.48	0.31	42.08	25.54

#### Foreign currency sensitivity analysis

The Company is mainly exposed to these currencies: USD and EUR

The following table details the company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies.

## Notes to Financial Statements for the year ended 31st March 2024

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

Particulars	USD impact	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Increase in exchange rate by 5%	65.24	37.87
Decrease in exchange rate by 5%	-65.24	-37.87

Particulars	EUR impact	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
In US Dollars (USD)	2.01	1.15
In Euro (EUR)	-2.01	-1.15

The company in accordance with its risk management policies and procedures, enter into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one month and 11 month.

The above sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

### Derivative instruments:

The company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The uses of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy.

The Company does not use forward contracts for speculative purposes.

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

Particulars	For the year ended 31st March, 2024		
	Number of contracts	Amount (₹ in Lakhs)	Foreign Currency (In Mn.)
Receivable As at 31st March, 24	0	-	0
Receivable As at 31st March, 23	1	62.25	USD 0.07

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

## Notes to Financial Statements for the year ended 31st March 2024

### Equity risk

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

### Interest risk

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

### Credit risk management

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

### Liquidity risk management

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

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

### Liquidity risk table

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

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

(₹ in Lakhs)

Particulars	Less than 1 year	1-5 years	5+ years	Total	Carrying Amount
<b>As at 31 March, 2024</b>					
Borrowings	5,559.59	2,507.01	241.26	8,307.86	8,307.86
Other financial liabilities at amortised cost	7,105.38	-	-	7,105.38	7,105.38
	<b>12,664.97</b>	<b>2,507.01</b>	<b>241.26</b>	<b>15,413.24</b>	<b>15,413.24</b>
<b>As at 31 March, 2023</b>					
Borrowings	4,462.62	1,983.47	28.84	6,474.93	6,474.93
Other financial liabilities at amortised cost	6,700.34	-	-	6,700.34	6,700.34
	<b>11,162.96</b>	<b>1,983.47</b>	<b>28.84</b>	<b>13,175.28</b>	<b>13,175.28</b>

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

### 39. Capital Management

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

## Notes to Financial Statements for the year ended 31st March 2024

Deferred tax movement	As at 31st March 2024	As at 31st March 2023
Equity Share capital	539.40	539.40
Free Reserve	3,089.20	2,648.69
Reserve to share capital ratio (in no of times)	5.73	4.91

40. Investors' Protection Fund : A sum of Rs. 0.97 Lakhs relating to Financial Year 2015-16 is transferred to the credit of Investors' Protection Fund and there is no due and outstanding for transfer to the credit of the Investors' Protection Fund as on 31.03.2024 (Previous Year Rs. 0.55 Lakhs).
41. The company has decided to apply for compounding under section 441 of the Companies Act, 2013 of matter arose out of the inspection by MCA. Since the matter is not finalized by the Competent Authority, its impact on the account could not be ascertained. Once the same is decided by the competent authority, the same shall be accounted for in the year in which it is determined.
42. Previous year's figures have been regrouped and / or reclassified wherever necessary to conform to this year's classification.

As per our report of even date

**For M/s GSA & Associates LLP**  
Chartered Accountants  
(FRN 000257N)

**Deepa Jain**  
Partner  
Membership No. 119681

Place: Chh. Sambhaji Nagar, (Aurangabad)  
Date: 30th May 2024  
UDIN No.: 24119681BKBHP7784

**For and on behalf of the board of directors of Akar Auto Industries Limited**

**N. K. Gupta**  
Chairman  
DIN:00062268

**Pawan Kumar Gupta**  
Chief Finance Officer

Place: Chh. Sambhaji Nagar, (Aurangabad)  
Date: 30th May 2024

**Sunil Todi**  
Managing Director  
DIN:00061952

**Radhyeshyam Rathi**  
Company Secretary



# BOOK-POST



## **AKAR AUTO INDUSTRIES LIMITED**

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