



Gearing up for **growth**

AKAR TOOLS LIMITED | ANNUAL REPORT 2013-14

CORPORATE INFORMATION

BOARD OF DIRECTORS

R.L. Gupta, *Chairman*

Sunil Todi, *Managing Director*

N.K. Gupta, *Non Executive Director*

P. M. Nijampurkar, *Executive Director*

V K Chopra, *Independent Director (w.e.f 30.05.2014)*

Surendra Kumar Shukla, *Independent Director (w.e.f 22.08.2014)*

COMPANY SECRETARY

Rajashree V. Dubey

AUDITORS

A K Bagadia & Co.

BANKERS

Canara Bank

REGISTERED OFFICE

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

ADMINISTRATIVE AND CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

Big Share Services Pvt. Ltd.
E-2, Ansa Incl. Estate,
Sakivihar Road, Saki Naka,
Andheri (e), Mumbai-400072
Ph. No. 022- 28473474 / 28473747 / 28470652.

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Notice

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of Akar Tools Ltd will be held on Monday, 29th September, 2014 at 11.00 a.m. at Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai - 400021 to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet and the Statement of Profit & Loss Accounts for the year ended 31st March, 2014 together with the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend for the Financial Year ended 31st March, 2014.
3. To appoint a Director in place of Shri. Pradeep Nijampurkar (holding DIN 01805132), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following ordinary resolution:

"RESOLVED THAT pursuant to the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and pursuant to the recommendation of the Audit Committee of the Board of Directors ('the Board'), the retiring Auditors, M/s A. K. Bagadia & Co, Chartered Accountants (Firm Registration No. 100846W) be and is hereby re- appointed as Statutory Auditors of the Company to hold office upto the conclusion of the 27th AGM of the Company to be held in the year 2016 (subject to the ratification of their appointment at every AGM) and to fix their remuneration for the financial year ending 31st March 2015."

AS SPECIAL BUSINESS:

5. To Consider and if thought fit, to pass with or without modifications, the following resolution:

(As an ORDINARY RESOLUTION)

"RESOLVED THAT pursuant to the provisions of

Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for time being in force) read with Schedule IV to the Companies Act, 2013, Shri. V K Chopra (holding DIN No- 03462730), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 28th September, 2019 on the terms and conditions referred to in the explanatory statement of material fact annexed to the Notice."

6. To Consider and if thought fit, to pass with or without modifications, the following resolution:
(As an ORDINARY RESOLUTION)

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for time being in force) read with Schedule IV to the Companies Act, 2013, Shri. Surendra Nath Shukla (holding DIN No 06937700), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 28th September, 2019 on the terms and conditions referred to in the explanatory statement of material fact annexed to the Notice."

On behalf of the Board of Directors

Place: Aurangabad.
Date: 22nd August, 2014

Rajashree V. Dubey
Company Secretary

Notes for the members' attention:

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

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Notice.

- 2 An explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Businesses to be transacted at the Annual General Meeting is attached hereto.
- 3 The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2014 to 29th September, 2014 (both days inclusive).
- 4 The dividend, if declared, will be paid to those members whose name appears on the Register of Members of the Company as on 29th September, 2014 for members holding shares in physical mode. For members holding share in electronic form, the dividend will be paid as per the data as may be made available by the NSDL and/or CSDL as of the close of the business hours on 25th September, 2014 and the same forwarded to us by our RTA.
- 5 To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Registrars and Share Transfer Agent/Depositories.

- 6 Electronic copy of the Annual Report As part of the Green Initiative of the Ministry of Corporate Affairs, the members who wish to receive notice/documents through e-mail may kindly intimate their e-mail addresses to the Company's Compliance Officer at corporate@akartoolsltd.com

- 7 Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for a period of seven years from the date of transfer to unpaid Dividend Account of the company is credited to the Investor Education and Protection Fund (the IEPF). Accordingly, amounts have been transferred to the Investor Education and Protection Fund from time to time. All persons are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.
- 8 Members are requested to send all their documents and communication pertaining to shares to Big Share Services Private Limited, Share Transfer Agent of the Company at their address E-2, Ansa Indl Estate, Sakivihar Road, Saki Naka, Andheri (e), Mumbai - 400072, for both physical and demat segments of equity shares.
- 9 Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Big Share Services Pvt Ltd for their doing needful.
- 10 Members are requested to notify change in address, if any, immediately to Big Share Services Pvt Ltd quoting their folio numbers.
- 11 In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transportation of Shares. Shareholders are requested to furnish copy of PAN card

for all the above mentioned transactions.

- 12 Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- 13 To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. The Securities and Exchange Board Of India(SEBI) has made it mandatory for all Companies to use the bank account details furnished by the Shareholders/ Depositories for depositing of dividends.
- 14 Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report 2013-14 will also be available on the Company's website www.akartoolsltd.com for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: corporate@akartoolsltd.com.

VOTING THROUGH ELECTRONIC MEANS:

- I In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Company (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an attentive mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 25th Annual General Meeting of the Company.

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

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select "Akar Tools Limited" from the drop down menu and click on "SUBMIT"
 - a. Now Enter your User ID : For CDSL- 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) The E-voting period begins on 25.09.2014, (9.00 a.m) and ends on 26.09.2014, (11.00 p.m). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 29.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xix) In case you have any queries or issues regarding e-

voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

- II The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the 29.09.2014 (record date) of 29.08.2014.
- III A copy of this notice has been placed on the website of the Company and the website of CDSL.
- IV Shri Pankaj N Desai (COP No 4098), Practising Company Secretary has been appointed as Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- V The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence at least two (2)

witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman.

- VI The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.akartoolsltd.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE.

On behalf of the Board of Directors

Place: Aurangabad.
Date: 22nd August, 2014

Rajashree V. Dubey
Company Secretary

Annexure to the notice

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

ITEM NO 5:

Shri V K Chopra has been appointed on 30th May, 2014 as an additional Director by the Board of Directors of the Company, pursuant to the provisions of Article 121 of the Article of Association of the Company and Section 161 of the Companies Act, 2013. According to the provision of the said Article and the said section, he will hold office only up to the date of this Annual General Meeting.

Shri V K Chopra has vast experience of more than 45 years in

the field of Finance, Banks, Merchant Banking & various Financial Institutions.

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

It is, therefore, in the Company’s interest that the Company

should continue to avail of his services as a member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Shri V K Chopra as an Independent Director, for the approval by the shareholders of the Company.

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

ITEM NO 6:

Shri Surendra Nath Shukla has been appointed on 22nd August, 2014 as an additional Director by the Board of Directors of the Company, pursuant to the provisions of Article 121 of the Article of Association of the Company and Section 161 of the Companies Act, 2013. According to the provision of the said Article and the said section, he will hold office only up to the date of this Annual General Meeting.

Shri Surendra Nath Shukla has vast experience of more than 40 years in the field of Arbitration, Tax Administration, Judicial and administrative services. He is presently associated with panel of Staff Selection Commission, Government of India as an Advisor and also in the panel of advisors to Institute of Banking Personnel Selection, Mumbai

(consultant to a mid size corporate group). He was served as a Captain in the Indian Army.

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

It is, therefore, in the Company's interest that Company should continue to avail of his services as a member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Shri Surendra Nath Shukla as an Independent Director, for the approval by the shareholders of the Company.

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

II. Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting fixed on Monday, the 29th September, 2014 as required under clause 49 of the Listing Agreement with Stock Exchanges are given hereunder :-

Name of Director	Shri Pradeep Nijampurkar	Shri V K Chopra	Shri. Surendra Nath Shukla
Date of Appointment	31.07.2007	30.05.2014	22.08.2014
Expertise in specific functional areas	Human Resources	Finance & Banking	Administration
List of other Directorship held excluding foreign Companies, Companies under section 25 of the Companies Act 1986 and private Companies	R. L. Steels & Energy Limited	JFC Finance (India) Limited	NIL
Chairman/Member of the committees of the Board of other Companies in which he/she is a Director @	NIL	NIL	NIL
No of Shares held in Company	NIL	NIL	NIL
Relationship between Directors Interse*	NIL	NIL	NIL

@ Committee positions only of Audit Committee and Shareholders'/Investors' Grievance Committee in Public Companies have been considered.

* Under the Companies Act, 2013.

On Behalf of the Board of Directors

Place: Aurangabad.
Date : 22nd August, 2014

Rajashree V. Dubey
Company Secretary

Directors' report

Dear Shareholders,

Your Directors hereby present their Twenty Fifth Annual Report along with Audited Statement of Accounts of the Company for the year ended March 31, 2014.

Financial Results at a glance:

(Rs. in lacs)

PARTICULARS	31st March, 2014	31st March, 2013
Sales & Other Income	14,264.89	14,206.35
Profit Before Tax	135.81	158.79
Profit After Tax	68.96	92.86
Balance Brought Forward	1,094.61	1,047.77
Amount available for Appropriation	1,163.57	1,140.63
APPROPRIATIONS:		
Dividend	32.36	26.97
Dividend Tax	5.50	4.05
General Reserve	15.00	15.00
Balance Carried Forward	1,110.71	1,094.61
	1,163.57	1,140.63
Earnings Per Share	1.28	1.72

The Company achieved total turnover of Rs. 14264.89 lacs against Rs. 14206.35 lacs in the previous year. The net profit after tax was Rs. 68.96 lacs against Rs. 92.86 lacs in the previous year which is mainly attributable to the rise in the cost of inputs. Company now aggressively working in various new market in India and abroad with various OEM's for their products. The benefit of the same would be available to Company once the economy starts reviving.

DIVIDEND

Your Directors recommend a dividend of 6% on 53,94,005 equity shares of Rs.10 each for 2013-14, Subject to the approval of the Shareholders at the Annual General Meeting to be held on 29th September, 2014.

AUDITORS

The Auditors of the company M/s A. K. Bagadia & Co., Chartered Accountants, retire at this Annual General Meeting and are eligible for reappointment. The Audit Committee and your Board recommend their reappointment.

SEBI REGULATIONS & LISTING FEES:

The Annual Listing Fees for the year under review have been paid to Bombay Stock Exchange Limited where your Company's Shares are listed. Company has initiated the

process of delisting with Delhi Stock Exchange which is in process.

DIRECTORS

Shri Pradeep Nijampurkar, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment as Directors of the Company, liable to retire by rotation, in the said meeting.

INDEPENDENT DIRECTORS

Pursuant to Section 149 & 152 of the Companies Act, 2013 read with Rules made there under, the Independent Directors shall hold office for a period of up to 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 years each. In terms of revised clause 49 of the Listing Agreement which will be applicable from 01st October, 2014, In case the Independent Directors has already served for 5 or more years, he can be appointed for only one term up to 5 years only. On 22nd August, 2014, the Nomination and Remuneration Committee recommended the appointment of Shri V K Chopra & Shri. Surendra Nath Shukla, all the existing Independent Directors for one more consecutive term of 5

years not liable to retire by rotation.

The Board has received declarations from all Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under Sub-Section (6) of Section 149 of the Companies Act, 2013 and who in the opinion of the Board fulfills the conditions specified in the Act and the rules made there under and are Independent of the Management. Thus the Board recommended their appointment as Independent Directors.

Brief resume /details of the Director, who is/are to be appointed/re-appointed as mentioned herein above has been furnished along with the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 it is hereby confirmed

- 1 Those in the preparation of annual accounts, the applicable accounting standard have been followed along with proper explanation relating to material departures.
- 2 That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the Financial Year Ended 31st March, 2014.
- 3 That the Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities and
- 4 That the Directors have prepared the annual accounts on a 'going concern' basis.

MANAGEMENT DISCUSSION AND ANALYSIS

As required under Clause 49 of the Listing Agreement with stock exchange, a management discussion and analysis report, inter-alia, deals adequately with operations and the current and future outlook of the Company is annexed and form as part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The Company has spent Rs 1.34 Lacs for education of underprivileged class of children.

CORPORATE GOVERNANCE

Your Company reaffirms and remains committed to high standards of Corporate Governance. The Company believes that appropriate disclosures procedures, transparent accounting policies, strong and independent Board practices and highest levels of ethical standards are critical to enhance and retain investor trust and generate sustainable corporate growth. Your Company established systems and procedures to comply with the amended provisions of the Code of Corporate Governance and complied with all the requirements of the Code of Corporate Governance as per Clause 49 of the Listing Agreement with the stock exchange. A Report separately titled "Corporate Governance" along with Auditors' Certificate, regarding compliance of the same are annexed as a part of this Annual Report.

PARTICULARS OF EMPLOYEES

The Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 is not given, since no employee of the Company draws remuneration in excess of the limit as prescribed in the above section.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to energy conservation, technology absorption and foreign exchange earnings and outgo as required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are in Annexed as a part of this Annual Report.

ACKNOWLEDGEMENT

Your Directors wish to place on record the appreciation of the assistance and co-operation received from its bankers, customers (domestic as well as overseas), suppliers, shareholders, staff from each level and other business associates for their valuable contribution in the growth of the organization whose continuous support and cooperation has been a source of strength to the company enabling it to achieve its goals. The Directors look forward to their continued support in future.

On behalf of the Board of Directors

Place: Aurangabad.
Date: 22nd August, 2014.

R. L. GUPTA
Chairman

Annexure to directors' report

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

A. POWER AND FUEL CONSUMPTION :

	2013-14	2012-13
1 ELECTRICITY		
(a) Purchased		
Units (KWH)	9428010	9829212
Total Amount (Rs.in Lacs)	628.66	633.69
Rate/Unit Rs.	6.67	6.45
(b) Own Generation :		
i) Through diesel generator Unit		
(Unit per Ltr. of Diesel oil cost/unit)	NA	NA
ii) Through steam turbine/generator Units		
(Units per Ltr. of fuel oil/gas cost/unit)	NA	NA
2 COAL (specify quality and where used)	NA	NA
Quantity (tonnes)		
Total Cost Rs.		
Average Rate Per MT		
3 FURNACE OIL & LPG:		
Quantity MT	2512.93	2435.15
Total Amount (Rs. in Lacs)	1079.76	951.95
Average Rate Per MT	42968.24	39092.12
4 OTHER/ INTERNAL GENERATION		
Quantity		
Total cost	NA	NA
Rent/unit		

B. CONSUMPTION PER UNIT OF PRODUCTION:

	2013-14	2012-13
1 FORGING (MT)	4656.05	5430.46
Electricity Consumption (KW)	1687.91	1513.65
Fuel Consumption (LTR)	196.39	183.72
2 LEAF SPRING (MT)	8625.73	7726.01
Electricity Consumption (KW)	182	208.31
Fuel Consumption (LTR)	185.23	186.05

C. FOREIGN EXCHANGE EARNING & OUTGO:

	2013-14	2012-13
(i) EARNINGS:		
FOB Value of Exports	3748.71	3270.62
(ii) EXPENDITURES:		
CIF Value of Imports:		
Raw materials	28.69	25.62
Stores, Spares & Consumables	0.54	2.88
Capital Goods	50.62	NIL
(iii) EXPENSES IN FOREIGN CURRENCY:		
Travelling / Fare abroad	23.02	15.88
Commission & Discount	NIL	NIL
TOTAL	106.09	48.29

TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

Research and developments of new products, processes and methodologies continue to be important to us. In today's dynamic business environment, innovation through a sustained process of research and development (R & D) is a critical growth driver. R & D will need to focus in the developments and speedy commercialization of globally competitive products, processes and technologies. Your Company pursues R & D strategy premised on best-in-class benchmark research processes to secure sustainable and long term competitiveness for all its business. Its priorities are focused on projects with high research content and high impact. Over the last several years, your Company has assembled a pool of qualified professionals and experts in the manufacturing and R & D Department. The Company's Research & Development efforts are focused on the following:

- a. Achieving international quality standards in the process.
- b. Constant improvements in technology thereby optimizing productivity and providing superior products at affordable price.
- c. Improvements in both design and quality of packaging materials to meet international standards.

On behalf of the Board of Directors

Place: Aurangabad.
Date: 22nd August, 2014.

R L GUPTA
Chairman

Management Discussion and Analysis Report

1. INDUSTRY SCENARIO

Financial Year 2013-14 was a challenging year. The developments over the last year in the major economic of the world have not been encouraging. The Global economy barely a year after recession witnessed lower economic growth. The year under review was an eventful year for world economy. The Euro-Zone continued with the financial crisis in the second consecutive year. The market in U.S & Euro-Zone is also showing sign of stabilizing. The automobile industry has witnessed the worst year of its recent history. However the Government has been optimistic to achieve a GDP of 6.4% for the year 2013-14. Necessary steps like reduction in rate of interest, fiscal and other measures taken by the government to accelerate the economic growth are positive steps in that direction.

2. OPPORTUNITIES AND THREATS

Opportunities:

The new Government at the centre has expressed a mandate of infrastructure oriented spending for national development. The resultant fiscal spending will give a boost to transport & mining sectors. The changes are however expected towards the later part of the financial year, given the time taken to form and execute policies.

With increasing awareness and education of the Indian customer, a range of non-vehicular products and services like spares, after sales, annual maintenance contracts etc are also gaining popularity in demand.

India has emerged as a major hub for global manufacturing with its advantage of lower input costs, availability of local supplier base and high domestic demand. As an established domestic manufacturer, the Company is ideally placed to take advantage for targeting lucrative international markets, either through the fully built export or CKD route.

In addition to the above, the Company also has the advantage of a strong in-house design and development facility and professionals. The Company is focusing on increasing its global presence, as an effective hedge against domestic downturn as well as a growth opportunity.

Threats:

Deterioration in global economic conditions, the automotive industry and the demand for automobiles is influenced by general economic conditions, including among other things, rates of economic growth, availability of credit, disposable income of consumers, interest rates, environmental and tax policies, safety regulations, freight rates and fuel and commodity prices. Negative trends in any of these factors impacting the regions where the Company operates could materially and adversely affect our business, results of operations and financial condition. The Indian automotive industry is affected materially by the general economic conditions in India and around the world. The progress of the economy also depends on the political situation around the world.

Muted industrial growth in India during FY 2013-14 along with continuing higher inflation and interest rates continue to pose risks to overall growth of market. The automotive industry in general is cyclical and economic slowdowns in the recent past have affected the manufacturing sector including the automotive and related industries in India.

OUTLOOK

The Indian automotive industry is affected materially by the general economic conditions in India and around the world. Muted industrial growth in India during FY 2013-14 along with continuing higher inflation and interest rates continue to pose risks to overall growth in this market. The automotive industry in general is cyclical and economic slowdowns in the

recent past have affected the manufacturing sector including the automotive and related industries in India. Persistence of negative economic trends or further deterioration in key economic factors such as growth rate, interest rates and inflation as well as reduced availability of financing for vehicles at competitive rates could materially and adversely affect the Company automotive sales in India and results of operations key for this year. The new government emphasis into infrastructure and mining activities. The business for the Company looks to be positive and we will see the improvement from IIIrd Quarter onwards.

RISK AND CONCERNS

The Company has rebuilt systems for risk assessment and mitigation and has a risk policy in place with well-established internal controls and risk management process. Reviews are conducted constantly as per risk based plan.

With rising inflationary pressures, increase in the price of steel and other inputs, weak global recovery, possibility of slow growth rate of Indian Economy and uncertainties of overseas and external factors are the key concerns on the macroeconomic fronts which may have an impact on the company operations in the ensuing year.

INTERNAL CONTROL SYSTEM 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, protecting assets from unauthorized use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

DISCUSSION ON THE FINANCIAL PERFORMANCE:

The Company achieved total turnover of Rs. 14264.89 lacs against Rs. 14,206.35 lacs in the previous year. The net profit after tax was Rs. 68.96 lacs against Rs. 92.86 lacs in the previous year which is mainly attributable to the rise in the cost of inputs.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES /INDUSTRIAL RELATION FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company believes that success of any organization 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 a favorable 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.

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.

Corporate governance report

As per Clause 49 of the Listing Agreement, the Directors present the Company's Report on Corporate Governance.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to achieve high standard of Corporate Governance. The Company philosophy on Corporate Governance envisages the attainment of high levels of transparency, accountability and equity in all facets of its operations and in all the interaction with its stakeholders, including shareholders, employees, lenders and the Government. The Company firmly believes that good corporate governance is the foundation of corporate excellence. The Board of Directors of Company continues to lay great emphasis on the broad principles of Corporate Governance.

II. BOARD OF DIRECTORS

a. Composition of the Board:

As required by the Clause 49 of the Listing Agreement regarding Corporate Governance, the Board of Directors consisted of optimum combination of Promoter and Independent Directors. The Board comprises of Total Six Directors has a mix of Executive and Non-Executive Directors.

b. Details of Director seeking appointment/re-appointment/regularization pursuant to clause 49 of the Listing Agreement are as under:

- Name of Director: Shri Pradeep Nijampurkar, Age: 56 years, Date of Birth: 13th July, 1958, Qualification: MBA (Human Resource), Date of Appointment: 31st July 2007, Expertise: possessing 35 years of wide experience in the Steel, Forgings, and Hand Tools Industry.

List of Directorship as on 31st March 2014:

Sr. No	Name of the Companies	Designation
1	R. L. Steels & Energy Limited.	Director

- Name of Director: Shri V K Chopra, Age: 74 years, Date of Birth: 10th December, 1940, Qualification: B.Sc. Chem (Hons) (St. Stephens College), LL.B, PGDBM (IIM Calcutta) & Certified Associate of Indian Institute of Banker, Date of Appointment: 30th May, 2014, Expertise: Possessing 45 years of wide experience in Banking & Finance Field.

List of Directorship as on 31st March, 2014:

Sr. No	Name of the Companies	Designation
1	JFC Finance (India) Limited	Director

- Name of Director: Shri. Surendra Nath Shukla, Age: 68 years, Date of Birth: 13th August, 1946, Qualification: BA (Economics), LLB, Comprehensive Course for Tax Administrators from Academy for International Tax Administrators, LA, California, USA & Executive Development Programme for Senior Officers at National Institute of Industrial Training, IIT, Mumbai, Date of Appointment: 22nd August, 2014, Expertise: 45 years wide experience in the Judicial, Arbitration, Tax Administration.

List of Directorship as on 31st March 2014: NIL

c. Number of Board Meetings:

During the financial year under review Board met 5 times at the Company's factories/ office at E-5, MIDC Area, Waluj Aurangabad on May 15, 2013, May 30, 2013, August 12, 2013, November 12, 2013 & February 13, 2014.

d. Composition/Category of Directors, Attendance Record, Shareholding & Directorship & Membership in other Companies:

The information on composition and category of the Board of Directors as on 31st March 2014, attendance of each Director at Board Meeting held during the financial Year 2013-14 and the Annual General Meeting (AGM) held on 27th September,

2013, Shareholding in the company & directorships positions in other companies are as follows:

Name of the Director	Category	Number of Shares held as on 31.03.2014	Attendance at Meetings		Number of Directorship in other Companies	
			Board	AGM	Public	Private
1. Shri R. L.Gupta	Promoter and Non- Executive	619125	04	No	02	04
2. Shri N. K. Gupta	Promoter and Non- Executive	94850	05	Yes	02	00
3. Shri Sunil Todi	Managing Director	Nil	05	Yes	01	00
4. Shri Pradeep Nijampurkar	Executive Director	Nil	03	No	01	00
5. Shri Ravi Machhar	Independent Director*	Nil	03	No	00	00
6. Shri Atul M. Desai	Independent Director**	Nil	03	No	00	00
7. Shri C K R Murugan	Independent Director ***	Nil	03	No	00	00

* ceased to be member from 30.05.2014, ** ceased to be member from 30.05.2014, ***ceased to be member from 12.11.2013

III. AUDIT COMMITTEE

The Audit Committee comprises one Executive Director and two Independent Non-Executive Directors. The Audit Committee comprises:

1. Shri C K R Murugan
2. Shri. Atul M. Desai
3. Shri Sunil Todi

Shri C K R Murugan is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary of the Committee. The Head - Finance also attends the Audit Committee meetings.

The terms of reference includes

The terms of reference to the Audit Committee are wide enough to cover all matters specified under the Listing Agreement and the Companies Act, 1956. Some of the lists are as under:

- a) Review financial reporting process and to ensure that the financial statement is correct and sufficient

- b) Review with the management, the quarterly and annual financial statement before submission to the Board

- c) Review with the management, external and internal auditors the adequacy of internal control system

- d) Review the Company's financial and risk management policies

During the financial year under review four meetings of the committee were held at the Company's factories/ office at E-5, MIDC Area, Waluj Aurangabad on May 30, 2013, August 12, 2013, November 12, 2013 & February 13, 2014.

Name of the member	Number of meetings held	Number of meetings attended
Shri C.K.R. Murugan*	04	03
Shri Atul M. Desai**	04	02
Shri Sunil Todi	04	04

* Ceased to be member from November 12, 2013.

** Ceased to be member from May 30, 2014.

Code of Conduct

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended, the Board approved the 'Akar Code of Conduct' for preventing Insider Trading' and has authorized the Audit Committee to implement and monitor various requirements as set out in the Code. The Code is based on the principle that directors, officers and employees of Akar Tools Limited owe a fiduciary duty to, among others, the Company's shareholders Company to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation.

Pursuant to Clause 49 of the Listing Agreement, it is hereby confirmed that the 'Code of Conduct' as approved by the Board was complied with during 2013-14 by all Board members and the designated members of the Company's senior management.

'Designated members of senior management' mean personnel of the Company who are members of its core management team excluding the Board of Directors. Normally, this would comprise all members of management one level below the Executive Directors, including all functional heads.

IV. REMUNERATION COMMITTEE

The Remuneration Committee comprises Two Independent and Executive Director, Three Independent Non-Executive Directors. One Executive Director is on the Committee. The committee comprises:

1. Shri N.K.Gupta
2. Shri Sunil Todi
3. Shri P.M. Nijampurkar
4. Shri C. K. R. Murugan
5. Shri. Atul M. Desai
6. Shri. Ravi Machhar

Shri N.K. Gupta is the Chairman of the Remuneration Committee.

The terms of reference specified by Board of Directors to the Remuneration Committee are as under:

- a) Recommending remuneration payable to Managing Director, other Directors as and when necessity arises
- b) Reviewing sitting fee payable to Directors for attending Board meetings and Committee meetings.

Details of remuneration paid to Shri Sunil Todi were Rs. 24.83 Lacs and to Shri P.M. Nijampurkar was Rs.13.17 Lacs.

During the financial year under review four meetings of the committee were held.

Name of the member	Number of meetings held	Number of meetings attended
Shri N. K. Gupta	04	04
Shri Sunil Todi	04	04
Shri P.M. Nijampurkar	04	03
Shri. Ravi Machhar*	04	03
Shri Atul M Desai**	04	02
Shri C K R Murugan***	04	02

* ceased to be member from 30.05.2014

** ceased to be member from 30.05.2014

***ceased to be member from 12.11.2013

V. SHAREHOLDERS GRIEVANCE COMMITTEE

The Shareholder Committee set up to specifically look into shareholders/investors complaints, if any, or transfer of shares, non-receipt of annual report and non-receipt of declared dividend, among others, and also the action taken by the Company on all those related matters. The Committee comprises:

1. Shri R.L. Gupta
2. Shri N.K.Gupta
3. Shri Sunil Todi
4. Ms Rajashree V. Dubey

During the financial year under review four meetings of the committee were held.

Name of the member	Number of meetings held	Number of meetings attended
Shri R. L. Gupta	04	02
Shri N. K. Gupta	04	03
Shri Sunil Todi	04	04
Ms Rajashree V. Dubey	04	04

Ms Rajashree V. Dubey, Company Secretary, is the Compliance Officer of the Committee. The Compliance Officer can be contacted at:

AKAR TOOLS LIMITED

E - 5, MIDC Area,
Waluj, Aurangabad.(Maharashtra)-431136
Phone : +91 240-6647200, 6647213
Fax : +91 240-2554640
E-mail ID: corporate@akartoolsltd.com.

The total numbers of complaints received and replied to the satisfaction of the shareholders during the year ended 31st March, 2014 were 07 and there were no complaints outstanding as on 31st March 2014. The Company had no share transfer requests pending as on 31st March 2014.

VI. GENERAL BODY MEETINGS

Detail of Annual General Meetings, location and time, where last three Annual General Meetings were held:

AGM	Date & Time	Venue	Special Resolutions Passed (if any)
24th	September 27, 2013. At 11.00 am	Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai - 400021	Nil
23rd	September 29, 2012. At 10.30 am	Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai - 400021	Nil
22nd	September 26, 2011. At 10.30. am	Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai - 400021	1. Appointment of Shri. Sunil Todi as Managing Director of the Company. 2. Voluntary delisting of securities form Delhi Stock Exchange as well as Ahmadabad Stock Exchange

VII. DISCLOSURES

a. Related party transactions: There were no material transactions with related parties during the year 2013-14 which is prejudice to the interest of the Company. Details of related party transactions are given in Note No. 17.8 as required by the Accounting Standard on related party disclosures (AS-18) in the Annual Report.

b. There have been no instances of non-compliance by the Company on any matters related to capital markets, during the last three years. Neither penalties have been imposed nor any strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter related to capital markets.

c. The Company does not have a formal Whistle Blower Policy. However any employee, if he so desires, would not be denied access to the Audit Committee.

d. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreements.

VIII. MEANS OF COMMUNICATION

a. The quarterly/half-yearly/annual financial results and material events of the Company are announced within the stipulated period and are published in English and Hindi newspapers. Since the results of the Company are published

in the newspapers, half yearly reports are not sent individually to the shareholders.

IX. GENERAL SHAREHOLDERS' INFORMATION

a) Shareholders/Investors Services

The Company's Shares & Secretarial department is situated at its Corporate & Administrative Office E- 5, MIDC Area, Waluj, Aurangabad and provides assistance and guidance to shareholders under overall supervision and control of Shri Sunil Todi, Managing Director and Ms Rajashree V. Dubey, Company Secretary.

b) Registrar & Share Transfer Agents

The entire work of the Company, relating to transfer of shares has been given to an outside agency i.e Big Share Services Pvt Ltd being a SEBI Registered R & T Agent. Shareholders are advised to send all the queries regarding change of their mailing address, share transfer status etc. to the Registrar & Share Transfer Agents at the following address:

BIG SHARE SERVICES PVT. LTD.

E-2, Ansa Indl. Estate,
Sakivihar Road, Saki Naka,
Andheri (e), Mumbai - 400072
Ph. No. 022-28473474/28473747/ 28470652

c) Annual General Meeting

Date & Time	29th September, 2014 at 11.00 a.m		
Venue	Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai - 400021		
Financial Year	01st April, 2013 to 31st March, 2014		
Date of Book Closure	25th September, 2014 to 29th September, 2014 (Both days inclusive)		
Dividend Payment Date	29th October, 2014		
Listing Fees	Paid as per the Listing Agreement		
Listing on Stock Exchanges	Symbol	Name of the Stock Exchange	Stock Code
	AKARTOOL EQ	Bombay Stock Exchange	530621
Compliance Officer	Ms. Rajashree V. Dubey Akar Tools Ltd E - 5, MIDC Area, Waluj, Aurangabad. Phone: +91 0240 2554686/87, Ext: 213 Fax: +91 0240-2554640 E-mail\ID: corporate@akartoolsltd.com		
Financial Calendar	The Accounting Years covers 1st April, 2013 to 31st March, 2014. Financial Reporting for: a) 1st Quarter ending 30th June, 2014 End July/Early August 2014. b) 2nd Quarter/ Half Year ending 30th September, 2014 End October/Early November 2014. c) 3rd Quarter ending 31st December, 2014 End January/Early February, 2015. d) 4th Quarter/ Annual Accounts for 2014-15 End April/May 2015. Note: the above calendar is indicative in nature.		

d) Proposed Dividend

The Board has proposed a 6% dividend i.e. @ Rs. 0.60 per Equity Shares.

e) Secretarial Audit for Capital Reconciliation

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors. The audit confirms that the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialization form and in Physical form.

f) Dematerialization of Share and Liquidity

As per notification issued by the SEBI, with effect from 26th June, 2000, it has become mandatory to trade in the Company's shares in the electronic form. The Company's shares are available for trading in the depository systems of both the National Securities Depositories Ltd (NSDL) and the Central Depositories Services (India) Ltd (CDSL).

As on 31st March, 2014, (97.90%) of the Company's total paid up capital representing 52,81,009 equity shares were held in dematerialized form and the balance 2.09% representing 1,12,996 equity shares were held in physical form.

The ISIN number of the Share is IN E864E01013

g) Stock Market Data

Akar Tools Limited's Share are listed at Bombay Stock Exchange Ltd

Month	Share Price with BSE		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
April	20.45	14.10	19,622.68	18,144.22
May	20.65	16.55	20,443.62	19,451.26
June	18.95	14.00	19,860.19	18,467.16
July	16.70	11.90	20,351.06	19,126.82
August	15.64	11.00	19,569.20	17,448.71
September	22.00	16.40	20,739.69	18,166.17
October	21.40	19.50	21,205.44	19,264.72
November	20.00	18.85	21,321.53	20,137.67
December	17.95	13.00	21,483.74	20,568.70
January	16.50	12.86	21,409.66	20,343.78
February	16.50	12.80	21,140.51	19,963.12
March	17.00	12.63	22,467.21	20,920.98

h) Distribution of Shareholding as on March 31, 2014

Range	No. of Shareholders	% of total Shareholders	No. of Shares held	% of Shareholding
Up to 5000	1775	85.50	2432880	4.51
5001 to 10000	109	5.25	898890	1.66
10001 to 20000	74	3.56	1130140	2.09
20001 to 30000	30	1.44	725470	1.34
30001 to 40000	13	0.62	457700	0.84
40001 to 50000	15	0.72	706510	1.30
50001 to 100000	22	1.05	1502400	2.78
100001 and above	38	1.83	46086060	85.43
Total	2067	100.00	53940050	100.00

i) Shareholding Pattern

The distribution of shareholding as on 31st March, 2014 was as under:

Category	Number of shares held	% of shareholding
Indian promoters	3,011,015	55.82
Mutual funds	900	0.02
Private corporate bodies	1,096,109	20.32
Indian public	1,258,618	23.34
NRIs/OCBs	26,053	0.48
Clearing members	1,310	0.02
Total	5,394,005	100

j) Dividend History For Last Five Years

2012-13	2011-12	2010-11	2009-10	2008-09
05%	05%	12%	12%	10%

Auditors' certificate on corporate governance

To,

THE MEMBERS OF AKAR TOOLS LIMITED

We have examined the compliance of Corporate Governance by Akar Tools Limited, for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further certify that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A. K. BAGADIA & CO.
(FRN 100846W)
CHARTERED ACCOUNTANTS**

Place: Aurangabad.
Dated: 22nd August, 2014.

**(A K BAGADIA)
PROPRIETOR
MEMBERSHIP NO.30520**

Independent auditors' report

TO,
THE MEMBERS OF
AKAR TOOLS LIMITED.

Report on Financial Statement:

- 1 We have audited the accompanying financial statements of AKAR TOOLS LIMITED (the "Company") which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended. And a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibilities for the Financial Statements:

- 2 The Company's Management is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the auditing standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 of India (the "Act"), read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

Auditors' Responsibility:

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standard on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence, about the amount and disclosures in the

financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

- 6 In our opinion and to the best of our information and according to the explanation given to us, the accompanying financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the principles generally accepted in India.
 - i) in the case of the balance sheet of the state of affairs of the Company as at 31st March, 2014.
 - ii) in the case of the Profit & Loss Account of the profit of the year ended on that date.
 - iii) in the case of the Cash Flow Statement of the cash flow of the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004' issued by the Central Government of India under Sub-section (4A) of section 227 of the Act and on the basis of such checks of the

books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclosed in the Annexure a statement on the matter specified in paragraphs 4 and 5 and said Order.

2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of accounts 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of

section 211 of the Companies Act, 1956: read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;

(e) On the basis of the written representation received from directors as on 31st March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) to Section 274 of the Act.

**For A K BAGADIA & CO.
CHARTERED ACCOUNTANTS.
(FRN 100846W)**

Place: Aurangabad
Dated: 30th May, 2014.

**(A K BAGADIA)
PROPRIETOR.
MEMBERSHIP NO.30520.**

Annexure to auditors' report

(Referred to in paragraph 7 of Auditors' Report of even date to the members of AKAR TOOLS LIMITED on the financial statements of the company for the year ended 31st March, 2014.)

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) All the assets have been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) During the year, the company has not disposed any substantial part of its fixed assets.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(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, no material discrepancies were noticed on verification between the physical stocks and the book records.
- iii. a) The company has granted unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 78.99 lakhs. The year end balance is Rs. 68.55 lakhs.
(b) In our opinion, the rate of interest wherever applicable, and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company.
(c) The parties have repaid the principal amounts as stipulated and have also been regular in the payment of interest to the company, wherever payable.
(d) There is no overdue amount in excess of Rs. 1 lakh in respect of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
(e) The company has not taken unsecured loan from any party covered in the register maintained under section 301 of the Companies Act, 1956.
(f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
(g) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.

- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it, except Rs. 19.17 Lacs which is outstanding on account of Dividend Distribution Tax.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, in cases of disputed demands in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty and cess, the amounts involved and the forum where disputes are pending are mentioned in notes of accounts.
- x. In our opinion, the company has no accumulated losses. Further, the company has not incurred cash losses

during the financial year covered by our audit and the immediately preceding financial year.

- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv. In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of

the company, we report that the no funds raised on short-term basis have been used for long-term investment.

- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. According to the information and explanations given to us, the company had not issued any debentures during the period covered by our audit report.
- xx. The Company had not raised any money by way of public issue, during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have been informed of any such case by the management.

**For A K BAGADIA & CO.
CHARTERED ACCOUNTANTS.
(FRN 100846W)
(A K BAGADIA)
PROPRIETOR.
MEMBERSHIP NO.30520.**

Place: Aurangabad
Dated: 30th May, 2014.

Balance Sheet as at 31st March, 2014

(Rs. in Lacs)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	539.40	539.40
(b) Reserves and surplus	4	1,944.55	1,913.45
		2,483.95	2,452.85
2 Non-current liabilities			
(a) Long-term borrowings	5	250.00	549.99
(b) Deferred tax liabilities (net)	6	510.82	486.15
		760.82	1,036.14
3 Current liabilities			
(a) Short-term borrowings	7	3,288.14	3,376.39
(b) Trade payables	8	4,317.81	3,861.46
(c) Other current liabilities	9	77.91	55.98
(d) Short-term provisions	10	110.12	106.90
		7,793.98	7,400.73
TOTAL		11,038.75	10,889.72
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	3,392.64	3,522.55
(ii) Capital work-in-progress		38.63	0.92
	(a)	3,431.27	3,523.47
(b) Non-current investments	12	116.17	116.17
	(b)	116.17	116.17
	(a+b)	3,547.44	3,639.64
2 Current assets			
(a) Inventories	13	4,040.66	3,971.83
(b) Trade receivables	14	2,351.95	2,273.44
(c) Cash and cash equivalents	15	124.73	83.31
(d) Short-term loans and advances	16	973.96	921.51
		7,491.31	7,250.08
TOTAL		11,038.75	10,889.72
Corporate Information and Significant Accounting Policies	1 & 2		
See accompanying notes forming part of the financial statements	17		

In terms of our report attached.
For **A K Bagadia & Co.(FRN 100846W)**
Chartered Accountants

A K BAGADIA (M NO-30520)
PROPRIETOR.

Place: Aurangabad
Date: 30th May, 2014

For and on behalf of the Board of Directors

R L Gupta
Chairman

Sunil Todi
Managing Director

N K Gupta
Director

Rajashree V. Dubey
Company Secretary

Place: Aurangabad
Date: 30th May, 2014

Statement of Profit and Loss

for the year ended 31st March, 2014

(Rs. in Lacs)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
1 Revenue from operations (gross)	18	15,601.62	15,543.78
Less: Excise duty		-1,346.04	-1,346.83
Revenue from operations (net)		14,255.58	14,196.95
2 Other income	19	9.30	9.40
3 Total revenue (1+2)		14,264.89	14,206.35
4 Expenses			
(a) Cost of materials consumed	20	7,897.69	8,836.76
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	-33.54	-823.20
(c) Employee benefits expense	22	1,042.27	927.54
(d) Finance costs	23	490.98	537.59
(e) Depreciation and amortisation expense	11	241.24	236.42
(f) Other expenses	24	4,490.44	4,332.46
Total expenses		14,129.08	14,047.56
5 Profit / (Loss) before tax (3 - 4)		135.81	158.79
6 Tax expense:			
(a) Current tax expense for current year		52.68	38.30
(b) (Less): MAT credit (where applicable)		-7.17	-0.71
(c) Current tax expense relating to prior years		-3.34	-
(d) Net current tax expense		42.17	37.59
(e) Deferred tax assets		24.67	28.34
Total (c+d)		66.84	65.93
7 Profit / (Loss) for the year (5-6)		68.96	92.86
8 Earnings per share (of Rs.10/- each):			
(a) Basic		1.28	1.72
(b) Diluted		1.28	1.72
Corporate Information and Significant Accounting Policies	1 & 2		
See accompanying notes forming part of the financial statements	17		

In terms of our report attached.
For A K Bagadia & Co.(FRN 100846W)
Chartered Accountants

A K BAGADIA (M NO-30520)
PROPRIETOR.

Place: Aurangabad
Date: 30th May, 2014

For and on behalf of the Board of Directors

R L Gupta
Chairman

N K Gupta
Director

Place: Aurangabad
Date: 30th May, 2014

Sunil Todi
Managing Director

Rajashree V. Dubey
Company Secretary

Cash flow statement

for the year ended 31st March, 2014

(Rs. in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
A. CASH FLOW FROM OPERATIVE ACTIVITIES		
Net Profit before Tax and extraordinary items	135.81	158.79
Adjustment for:		
Depreciation	241.24	236.42
Interest debited to Profit & Loss Account	490.98	537.59
Operating Profit before Working Capital Charges	868.03	932.80
Adjustment for:		
Trade Receivables	-78.51	772.68
Loans & Advances	-52.45	124.47
Inventories	-68.84	-877.72
Trade Payables	478.28	393.78
Provision for Tax Liability	4.15	11.63
Cash Generated from Operations	282.62	424.84
Interest paid	490.98	537.59
Direct Taxes	42.17	37.59
Net Cash Flow from Operating Activities (A)	617.50	782.46
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-149.96	-145.24
Net Cash used in Investing Activities (B)	-149.96	-145.24
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-299.99	-325.04
Proceeds from short term borrowings	26.48	19.79
Dividend paid	-37.86	-31.02
Proceeds from working capital finance	-114.73	-403.84
Net Cash used in financing activities (C)	-426.11	-740.10
Net Increase in Cash and Cash Equivalent (A+B+C)	41.43	-102.87
Opening Cash equivalents at the end of the year	83.31	186.18
Cash and cash equivalents at the end of the year *	124.73	83.31
* Comprises:		
(a) Cash on hand	12.14	10.27
(b) Balances with banks		
(i) In current accounts	112.60	73.03
	124.73	83.31

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

In terms of our report attached.
For A K Bagadia & Co.(FRN 100846W)
Chartered Accountants

A K BAGADIA (M NO-30520)
PROPRIETOR.

Place: Aurangabad
Date: 30th May, 2014

For and on behalf of the Board of Directors

R L Gupta
Chairman

N K Gupta
Director

Place: Aurangabad
Date: 30th May, 2014

Sunil Todi
Managing Director

Rajashree V. Dubey
Company Secretary

Notes forming part of the financial statements

Note 1. Corporate information

The Company is in the Business of Manufacturing of hand tools, auto leaf spring, parabolic springs and commercial automotive forgings & having its manufacturing facilities around Aurangabad, Maharashtra.

Note 2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

- a) Raw material is valued at cost computed on monthly average basis of the last month after providing for cost of obsolescence.
- b) Finished Goods and Work-in-Process are valued at cost or net realizable value whichever is lower. Cost for this purpose includes Raw material, Wages, Manufacturing Expenses, Production Overheads and Depreciation.
- c) Stores and Spares are valued at cost after considering cost of obsolescence and estimated useful life.
- d) Scrap is valued at net realizable value.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation on Hand Tool Division have been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on Parabolic Leaf Division has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on Conventional Leaf Spring Division has been provided on the Written down Value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

2.7 Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty, sales tax and value added tax.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets

Notes forming part of the financial statements

includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.11 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are

Notes forming part of the financial statements

amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

2.12 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.13 Investments

Long-term investments (excluding investment in properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

2.14 Employee benefits

The Company's Contribution to provident fund is considered as defined contribution and is charged as an expense as they fall due based on the amount on contribution required to be made.

Provision for Retirement Benefits: - Liabilities in respect of Retirement Benefits to employees are accounted for on actual payment basis. No provision is being made for Liabilities on actuarial valuation as required by Accounting Standard AS15.

2.15 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.16 Segment reporting

The company is engaged in manufacturing of hand tools and leaf springs business which, as per Accounting Standard 17 (AS-17) Segment Reporting issued by the Institute of Chartered Accountants of India, are considered the reportable business segment of the company.

2.17 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted

Notes forming part of the financial statements

for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.19 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

2.20 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

2.21 Joint venture operations

The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements.

2.22 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.23 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions

Notes forming part of the financial statements

(including retirement benefits) are not discounted to their present value and are determined based on the actual settlement of the obligation at the Balance Sheet date. Contingent liabilities are disclosed in the Notes.

2.24 Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

2.25 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations. Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.26 Share issues expenses

Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.

2.27 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.28 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

Contingent Liabilities not provided for: -

- (a) Guarantees issued by Banks on behalf of the Company and outstanding as at 31/03/2014 is of Rs.106.19 Lacs (Previous Year 104.94 Lacs).
- (b) Liabilities not acknowledge as debt and outstanding as at 31/03/2014 are for Income Tax Rs.42.17 lacs (Previous year Rs. 69.87 Lacs) and for Sales Tax Rs. 19.64 Lacs (Previous year 19.64 Lacs)
- (c) Foreign Bills and Inland Bills discounted and outstanding as at 31/03/2014 is Nil Lacs (Previous Year Nil).

In the opinion of the Board of Directors the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.

Confirmation from certain parties for amount due to them/amount due to the company as per accounts of the company are not yet received, necessary adjustments, if any, will be made when accounts are reconciled and settled.

Notes forming part of the financial statements

NOTE 3. SHARE CAPITAL

(Rs. in Lacs)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of Rs.10 each with voting rights	10,000,000	1,000.00	10,000,000	1,000.00
	10,000,000	1,000.00	10,000,000	1,000.00
(b) Issued				
Equity shares of Rs.10 each with voting rights	5,394,005	539.40	5,394,005	539.40
	5,394,005	539.40	5,394,005	539.40
(c) Subscribed and fully paid up				
Equity shares of Rs.10 each with voting rights	5,394,005	539.40	5,394,005	539.40
	5,394,005	539.40	5,394,005	539.40
Total	5,394,005	539.40	5,394,005	539.40

NOTE 3.A SHARE CAPITAL (CONTD.)

Equity shares with voting rights				
Year ended 31st March, 2014				
- Number of shares	5,394,005	5,394,005	5,394,005	5,394,005
Amount	539.40	539.40	539.40	539.40
Year ended 31st March, 2013				
- Number of shares	5,394,005	5,394,005	5,394,005	5,394,005
Amount	539.40	539.40	539.40	539.40

NOTE 3.B SHARE CAPITAL (CONTD.)

Class of shares / Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	% holding in that class of shares	Number of shares	% holding in that class of shares
Equity shares with voting rights				
R L Gupta	444,040	8.23	444,040	8.23
R L Gupta (HUF)	619,125	11.48	619,125	11.48
Usha Gupta	1,117,700	20.72	1,117,700	20.72
Akar Alloys Pvt Ltd	429,398	7.96	429,398	7.96
Kamlesh Gupta	600,000	11.12	600,000	11.12

Notes forming part of the financial statements

NOTE 4. RESERVES AND SURPLUS

(Rs. in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Securities premium account		
Opening balance	351.00	351.00
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:	-	-
Closing balance	351.00	351.00
(b) General reserve		
Opening balance	467.83	452.83
Add: Transferred from surplus in Statement of Profit and Loss	15.00	15.00
Less: Utilised / transferred during the year for:	-	-
Closing balance	482.83	467.83
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1094.61	1047.77
Add: Profit / (Loss) for the year	68.96	92.86
Dividends proposed to be distributed to equity shareholders (Rs.10/- per share)	32.36	26.97
Tax on dividend	5.50	4.05
Transferred to:		
General reserve	15.00	15.00
Closing balance	1110.71	1094.61
Total	1944.55	1913.45

NOTE 5. LONG-TERM BORROWINGS

(a) Term loan*		
From banks and others		
Secured	-	299.99
(c) Other loans and advances (specify nature)		
Unsecured	250.00	250.00
Total	250.00	549.99

* Term Loans from Banks are secured by a first mortgage of all the company's immovable properties, both present and future ranking pari passu inter se and first charge by way of hypothecation of all company's movable subject to prior charges created in favour of Company's bankers on inventories, book debts, and other movables for securing the borrowing for working capital requirement.

NOTE 6. DISCLOSURES UNDER ACCOUNTING STANDARDS

Deferred tax (liability)/ asset		
Tax effect of items constituting deferred tax liability	510.82	486.15
Net deferred tax (liability)/asset	510.82	486.15

Notes forming part of the financial statements

NOTE 7. SHORT-TERM BORROWINGS

(Rs. in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Loans repayable on demand		
From banks		
Secured	3122.10	3236.83
(b) Deposits		
Unsecured	166.04	139.56
Total	3288.14	3376.39

Notes:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security		
Loans repayable on demand			
from banks:			
CANARA BANK	Secured against hypothecation of stock in trade, stores & sundry debtors and also secured by 2nd charge on block of assets ranking pari-pasu.	3122.10	3236.83
Total		3122.10	3236.83

NOTE 8. TRADE PAYABLES

Trade payables:		
Acceptances	492.91	426.72
Other than Acceptances	3824.90	3434.74
Total	4317.81	3861.46

NOTE 9. OTHER CURRENT LIABILITIES

Advances from customers	77.91	55.98
Total	77.91	55.98

NOTE 10. SHORT-TERM PROVISIONS

Provision - Others:		
(i) Provision for tax (net of advance tax Rs.170,075/-) (As at 31st March, 2013 Rs. 86,351)	52.68	60.75
(ii) Provision for proposed equity dividend	32.77	26.97
(iii) Provision for tax on proposed dividends	24.67	19.17
Total	110.12	106.90

Notes forming part of the financial statements

NOTE 11. FIXED ASSETS-TANGIBLE ASSET

(Rs. in Lacs)

Tangible assets	Gross block		Accumulated depreciation and impairment			Net block		
	Balance as at 1st April, 2013	Additions/ Disposals	Balance as at 31st March, 2014	Balance as at 1st April, 2013	Depreciation / amortisation expense for the year	Balance as at 31st March, 2014	Balance as at 31st March, 2014	Balance as at 31st March, 2013
(a) Land								
Freehold	155.65	-	155.65	-	-	-	155.65	155.65
Leasehold	50.31	-	50.31	-	-	-	50.31	50.31
(b) Buildings								
Own use	1269.19	3.96	1273.15	356.73	42.14	398.87	874.82	912.46
(c) Plant and Equipment								
Owned	4012.57	95.97	4108.54	1665.82	185.47	1851.30	2257.24	2346.75
(d) Furniture and Fixtures								
Owned	15.80	2.89	18.69	8.13	1.10	9.23	9.46	7.67
(e) Vehicles								
Taken under finance lease	94.41	-	94.41	87.65	0.94	88.58	5.83	6.77
(f) Office equipment								
Owned	88.20	4.62	92.82	67.01	1.79	68.79	24.02	21.19
(g) Others (specify nature), e.g. Computer, container, etc.								
Owned	94.25	3.89	98.14	72.50	9.80	82.30	15.84	21.76
Total	5780.38	111.33	5891.71	2257.83	241.24	2499.07	3392.64	3522.55
Previous year	5635.14	145.24	5780.38	2021.40	236.42	2257.83	3522.55	3613.74
Capital Work in Progress								
Plant and Equipment	0.92	37.77	38.63	-	-	-	38.63	0.92

NOTE 11. FIXED ASSETS-DEPRECIATION

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Depreciation and amortisation relating to continuing operations:		
Depreciation and amortisation for the year on tangible assets	241.24	236.42
Depreciation and amortisation relating to continuing operations	241.24	236.42

NOTE 12. NON-CURRENT INVESTMENTS

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Unquoted	Total	Unquoted	Total
Investments (At cost):				
Trade Investment				
1628540 (As at 31st March, 2013: 1628540) shares of 10 each fully paid up in R L STEELS & ENERGY LTD	1628540	106.87	1628540	106.87
9300 (As at 31st March, 2013: 9300) shares of 100 each fully paid up in GUPTA CONCAST LTD	930000	9.30	930000	9.30
Total	2558540	116.17	2558540	116.17

Notes forming part of the financial statements

NOTE 13. INVENTORIES(AT LOWER OF COST AND NET REALISABLE VALUE)

(Rs. in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Raw materials	700.21	718.55
(b) Work-in-progress	2324.37	2062.83
(c) Finished goods (other than those acquired for trading)	672.76	889.05
(d) Scrap & Packing Material	25.92	37.63
(e) Stores and spares	317.41	263.78
Total	4040.66	3971.83

NOTE 14. TRADE RECEIVABLES

Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	213.27	244.57
	213.27	244.57
Other Trade receivables		
Unsecured, considered good	2138.68	2028.87
	2138.68	2028.87
Total	2351.95	2273.44

NOTE 15. CASH AND CASH EQUIVALENTS

(a) Cash on hand	12.14	10.27
(b) Balances with banks		
In current and margin accounts	112.60	73.03
Total	124.73	83.31

NOTE 16. SHORT-TERM LOANS AND ADVANCES

(a) Security deposits		
Unsecured, considered good	39.72	40.47
(b) Loans and advances to employees		
Unsecured, considered good	8.18	7.94
(c) Prepaid expenses - Unsecured, considered good	3.48	3.45
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	228.78	187.38
(ii) VAT credit receivable	106.03	156.00
(iii) Service Tax credit receivable	20.90	23.17
	355.71	366.55
(e) Others- Advance to Suppliers & Other Advances		
Unsecured, considered good	566.87	503.09
Total	973.96	921.51

Notes forming part of the financial statements

NOTE 17. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

17.1 Contingent liabilities and commitments (to the extent not provided for)

(Rs. in Lacs)

Contingent liabilities		As at 31st March, 2014	As at 31st March, 2013
(a) Claims against the Company not acknowledged as debt			
Income Tax-A.Y. 2010-2011	A.Y. 2010-2011	2.07	2.07
Income Tax-A.Y. 2009-2010	A.Y. 2009-2010	NIL	NIL
Income Tax-A.Y. 2008-2009	A.Y. 2008-2009	NA	NA
Income Tax-A.Y. 2007-2008	A.Y. 2007-2008	1.81	1.81
Income Tax-A.Y. 2006-2007	A.Y. 2006-2007	28.42	28.42
Income Tax-A.Y. 2004-2005	A.Y. 2004-2005	4.16	4.16
Income Tax-A.Y. 2003-2004	A.Y. 2003-2004	13.65	13.65
Income Tax-A.Y. 2002-2003	A.Y. 2002-2003	3.26	3.26
Income Tax-A.Y. 2001-2002	A.Y. 2001-2002	10.72	10.72
Income Tax-A.Y. 2000-2001	A.Y. 2000-2001	5.34	5.34
Income Tax-A.Y. 1999-2000	A.Y. 1999-2000	0.44	0.44
Sales Tax	A.Y. 2003-2004	19.64	19.64
(b) Guarantees @ (give details)		106.19	104.94

17.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Principal amount remaining unpaid to any supplier as at the end of the accounting year	218.97	123.88
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17.3 Value of imports calculated on CIF basis:

Raw materials	28.69	25.62
Stores & Spares	0.54	2.88
Capital goods	50.62	-

17.4 Expenditure in foreign currency:

Principal amount Foreign Travelling	23.02	15.88
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17.5 Details of consumption of imported and indigenous items

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Amount	%	Amount	%
Imported				
Raw materials	28.69	0.38%	25.62	0.30%
Stores & Spares	0.54	0.06%	2.88	0.31%
Total	29.22		28.50	
Indigenous				
Raw materials	7,550.76	99.62%	8,455.74	99.70%
Stores & Spares	890.76	99.94%	914.18	99.69%
Total	8,441.52		9,369.91	

Notes forming part of the financial statements

17.6 Earnings in foreign exchange:

(Rs. in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Export of goods calculated on FOB basis	3,748.71	3,270.62

Note 17.7 Disclosures under Accounting Standards (contd.)

Segment information

	For the year ended 31st March, 2014			For the year ended 31st March, 2013		
	Business segments		Total	Business segments		Total
	Hand Tools	Leaf Spring	Eliminations	Hand Tools	Leaf Spring	Eliminations
Revenue	9,884.66	5,726.27	15,610.93	9,801.61	5,752.25	15,553.86
External Sales	-	-	-	-	-	-
Total Revenue	9,884.66	5,726.27	15,610.93	9,801.61	5,752.25	15,553.86
Results	-	-	-	-	-	-
Segment Results	741.02	-605.21	135.81	768.11	-609.33	158.79
other Information	-	-	-	-	-	-
Segment Assets	10,068.49	854.09	10,922.58	11,006.52	-232.11	10,774.41
Investments	116.17	-	116.17	116.17	-	116.17
Total	10,184.65	854.09	11,038.75	11,122.69	-232.11	10,890.58
Segment Liabilities	4,297.33	3,746.65	8,043.98	5,896.35	2,055.24	7,951.58
Share Capital & Reserve	5,623.51	-3,139.57	2,483.95	4,987.20	-2,534.35	2,452.85
Un-allocable D. Tax Liability	263.82	247.00	510.82	239.15	247.00	486.15
Total	10,184.65	854.09	11,038.75	11,122.69	-232.11	10,890.58

17.8 Disclosures under Accounting Standards (contd.)

Related party transactions		As at 31st March, 2014	As at 31st March, 2013
Details of related parties:	Type of Transaction		
R. L. Steels & Energy Ltd	Sales of goods	1,612.58	2,712.73
R. L. Steels & Energy Ltd	Purchases of goods	8,363.67	7,293.01
Akar Alloys Pvt Ltd	Loans & advances	2.00	-
Aurangabad Forgings P.Ltd.	Rents	3.00	3.00
Gupta Concast Ltd.	Lease rent	16.50	6.00
Akar Industries Pvt. Ltd.(Kipl)	Loans & advances	121.79	-
Akar Industries Pvt. Ltd.(Kipl)	Purchases of goods	46.50	689.72
Nitin Gupta	Rents	-	1.80
R. L. Gupta	Loans & advances	-	3.50
Mrs. Usha Devi Gupta	Salary	9.00	9.00
Mrs. Usha Devi Gupta	Advance	-	2.65
Mrs. Shushila Devi Gupta	Advance	61.55	46.35
Lavanya Investment Pvt. Ltd.	Loans & advances	0.50	-
Shatrunji Investments Pvt.Ltd.	Loans & advances	1.00	1.20
Shatrunji Investments Pvt.Ltd.	Rents	0.52	0.78

Notes forming part of the financial statements

NOTE 17.9 DISCLOSURES UNDER ACCOUNTING STANDARDS (CONTD.)

(Rs. in Lacs)

Earnings per share		
Basic		
Continuing operations		
Net profit / (loss) for the year from continuing operations	68.96	92.86
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	68.96	92.86
Weighted average number of equity shares	53.94	53.94
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic	1.28	1.72
Continuing operations		
Net profit / (loss) for the year from continuing operations	68.96	92.86
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	68.96	92.86
Add: Interest expense and exchange fluctuation on convertible bonds (net)		
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)		
Weighted average number of equity shares for Basic EPS		
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive		
Weighted average number of equity shares - for diluted EPS	53.94	53.94
Par value per share	10	10
Earnings per share, from continuing operations - Diluted	1.28	1.72

Note 17.10 Previous year's figures

The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

NOTE 18. REVENUE FROM OPERATIONS

Particulars	As at	As at
	31st March, 2014	31st March, 2013
(a) Sale of products - Export Sales	3,806.42	3,368.63
Sale of products - Domestic Sales	10,679.20	10,966.54
(b) Other operating revenues	1,116.01	1,208.61
	15,601.62	15,543.78
Less:		
(c) Excise duty	-1,346.04	-1,346.83
Total	14,255.58	14,196.95

Notes forming part of the financial statements

NOTE 19. OTHER INCOME

(Rs. in Lacs)

(a) Interest income	9.30	9.40
Total	9.30	9.40

NOTE 20. COST OF MATERIALS CONSUMED

Opening stock	718.55	662.03
Add: Purchases	7,879.35	8,893.27
	8,597.90	9,555.30
Less: Closing stock	700.21	718.55
Cost of material consumed	7,897.69	8,836.76
Material consumed comprises:		
Raw material	7,579.45	8,481.35
Job work Expenses	318.24	355.40
Total	7,897.69	8,836.76

NOTE 21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	As at 31st March, 2014	As at 31st March, 2013
Inventories at the end of the year:		
Finished goods	672.76	889.05
Work-in-progress	2,324.37	2,062.83
Stock-in-trade	25.92	37.63
	3,023.05	2,989.50
Inventories at the beginning of the year:		
Finished goods	889.05	701.21
Work-in-progress	2,062.83	1,427.56
Stock-in-trade	37.63	37.54
	2,989.50	2,166.30
Net (increase) / decrease	-33.54	-823.20

NOTE 22. EMPLOYEE BENEFITS EXPENSE

Salaries and wages	927.10	835.24
Contributions to provident and other funds	68.22	64.30
Staff welfare expenses	46.96	28.01
Total	1,042.27	927.54

NOTE 23. FINANCE COSTS

(a) Interest expense on:		
Borrowings	429.98	454.66
(b) Other borrowing costs	61.00	82.92
Total	490.98	537.59

Notes forming part of the financial statements

NOTE 24. OTHER EXPENSES

(Rs. in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Consumption of stores and spare parts	891.30	917.06
Consumption of packing materials	388.87	373.92
Power and fuel	1,786.57	1,668.71
Water	7.11	8.25
Repairs and maintenance - Buildings	17.26	3.16
Repairs and maintenance - Machinery	51.85	50.77
Repairs and maintenance - Others	11.60	5.88
Insurance	14.29	15.52
Rates and taxes	657.64	645.75
Communication	11.39	10.27
Travelling and conveyance	97.48	70.67
Printing and stationery	11.10	10.01
Freight and forwarding	365.16	348.33
Sales discount	53.00	105.18
Business promotion	32.37	23.42
Donations and contributions	1.97	3.72
Legal and professional	54.09	37.37
Payments to auditors	0.50	0.50
Miscellaneous expenses	36.91	33.97
Total	4,490.44	4,332.46

NOTE 25. OTHER EXPENSES (CONTD.)

Payments to the auditors comprises		
As auditors - statutory audit	0.40	0.40
For taxation matters	0.10	0.10
Total	0.50	0.50

In terms of our report attached.
For **A K Bagadia & Co.(FRN 100846W)**
Chartered Accountants

A K BAGADIA (M NO-30520)
PROPRIETOR.

Place: Aurangabad
Date: 30th May, 2014

For and on behalf of the Board of Directors

R L Gupta
Chairman

N K Gupta
Director

Place: Aurangabad
Date: 30th May, 2014

Sunil Todi
Managing Director

Rajashree V. Dubey
Company Secretary

AKAR TOOLS LIMITED

Regd. Office: 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai - 400009
CIN: L29220MH1989PLC052305

FORM OF PROXY

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the
Companies (Management and Administration) Rules, 2014]

Name of Member (s)
Registered address.....
E-mail ID:
Folio No./DP ID & Client ID:

I/We being member(s) of shares of Akar Tools Limited, hereby appoint

1. Name : Address.....
..... Email Id : Signature

2. Name : Address.....
..... Email Id : Signature

as my/our Proxy to attend and vote (on a poll) for me/us on my/our behalf at the 25th Annual General Meeting of the Company to be held on Monday 29th September, 2014 at 11:00 A.M. and at any adjournment thereof in respect of resolutions as are indicated below:

Reso. No.	Description	For	Against
1	Adoption of the Audited Statement of Profit and Loss for the Financial Year ended 31st March, 2014, the Balance Sheet as on that date, the Directors' and the Auditors' Reports thereon.		
2	Declaration of dividend on equity shares.		
3	Re-appointment of Shri Pradeep Nijampurkar, who retires by rotation and being eligible offers himself for re-appointment.		
4	Appointment of Auditors of the Company and fixing their remuneration		
5	Appointment of Shri V K Chopra as an Independent Director		
6	Appointment of Shri S N Shukla as an Independent Director		

Signed this on day of 2014

Signature of the shareholder:

Affix Re. 1
Revenue
Stamp & sign
across the
same

Note: This Proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

AKAR TOOLS LIMITED

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

CIN: L29220MH1989PLC052305

(ATTENDANCE SLIP)

Regd.Folio No.

Name.....

DP ID.....

No. of Shares held.....

Client ID

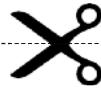
Proxy No.

I hereby record my presence at the 25th Annual General Meeting of the Company held at Y.B. Chavan Centre, General Jagannath Bhosle Marg, Opp. Mantralaya, Nariman Point, Mumbai - 400021 on Monday the 29th September, 2014 at 11.00 a.m.

Members / Proxy's name in full

Member/Proxy's signature

NOTE: Member/Proxy Attending The Meeting Must Fill-In this Attendance Slip and Hand It Over at the Entrance of the Venue of the Meeting.



A Redpro product
redprocommunication@gmail.com



AKAR TOOLS LIMITED

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