



NOTICE

Notice is hereby given that the Fourteen Annual General Meeting of Aakar Engineering and Manufacturing Co. Ltd. will be held on 26th September, 2005 at its Registered Office 82, Old Nagardas Road, Andheri (East), Mumbai 400 069, at 12.30 p.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March 2005 and the Balance Sheet and Notes to Accounts, as at 31.3.2005 and the report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bhausaheb Kure, who retires by rotation and is eligible for reappointment.
3. To reappoint M/s. S. M. Bhat & Associates, Chartered Accountants as the Statutory Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board

For Aakar Engineering and Manufacturing Co. Ltd.


Sunil Shah
Chairman

Place: Mumbai

Date: 2nd September 05

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A proxy form, duly completed should be deposited at the registered office of the company, not later than 48 hours before the meeting.
2. Members are requested to intimate the change of address, if any.
3. All documents referred to in the accompanying notice are open for inspection at the registered office of the company on all working days up to the date of Annual General Meeting.
4. Members are requested to intimate queries, if any, regarding accounts, at least 7 days before the meeting to enable the management to keep the information required available at the time of meeting.
5. Members are requested to bring their copies of Annual Report to the meeting along with the attendance slip.

AAKAR ENGINEERING AND MANUFACTURING COMPANY LIMITED.

Regd. Office : 82, Old Nagardas Road, Andheri (East), Mumbai - 400 069. Telefax : 5699 1046

Factory : A-75, 76, 77, Sinnar Taluka Audhyogik Vasahat, Sinnar, Nasik, Maharashtra.





AAKAR

DIRECTORS REPORT

To,
The Members,

Your Directors have pleasure in presenting their report on the operations of the Company for the year ending 31st March 2005.

Financial Results

Current Year Previous Year

(Rs. in Lacs) (Rs. in Lacs)

a) Sales and other income	834.60	601.36
b) Profit before Interest, Depreciation and non-cash exp.	2.11	33.53
c) Interest	107.23	97.48
d) Depreciation and other non cash expenses	38.63	38.04
e) Provision for Taxation	00.00	00.00
f) Net Profit /(Loss) before Appropriation	(143.74)	(102.00)
g) Add: Op. Deferred Tax	120.13	37.15
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	, (23.61)	(68.84)
h) Add: Balance Brought Forward	(310.64)	(245.80)
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	(334.25)	(310.64)
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Net Profit & (Loss) trf. to Balance sheet	(334.25)	(310.64)

Dividend:

Due to losses during year the Board of Directors does not recommend any dividend for the year ended 31st March 2005.

Turnover and Profits and Operations:

Turnover for the year under review amounted to Rs 601.36 Lac (previous year Rs.601.36 Lac). The net loss for the same year was Rs.143.00 Lac (previous year Rs. 102.00 Lac).

Finance and Accounts:

During the year, the Company had strains on its working capital requirement because of slow recovery of its receivables, slow movement of stocks and losses due to lower turnover mainly because of the recession prevalent in the Industry in which the Company operates.

Directors:

Mr. Bhausahab Kure retires by rotation in accordance with the Articles of Association of the company at the ensuing Annual General Meeting, and being Eligible, offer himself for re-appointment.

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Facory : A-75, 76, 77, Sinnar Taluka Audhyogik Vasahat, Sinnar, Nasik, Maharashtra.



Director's Responsibility Statement:

As required under Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. The accounting policies selected have been consistently applied and the accounting for the period under review gives a true and fair view of the state of affairs of the Company.
3. Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company.
4. The accounts have been prepared on a going-concern basis.

Corporate Governance

Securities and Exchange Board of India (SEBI), Vide its letter Ref: SMDRP/POLICY/ICR-10-200 Dated February 21, 2000 and SMDRP/POLICY/ICR-13-200 Dated March 9, 2000, directed the Stock Exchange to incorporate a new clause 49 on Corporate Governance in the Listing Agreement, which has been duly amended to include the said clause. The company has complied with required formalities. The company has been complying with the following recommendations contained in the said clause to the extent and in the manner stated under the heads given here in under.

Board of Directors

The Board of Directors of your Company consists of 3 members comprising 3 executive directors including the Managing Director. 1 of these Directors represents the Promoter Group while 2 are independent Directors.

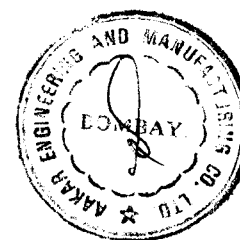
The Board meets at least 4 times a year or once in a quarter.

**Committee of Directors
Audit Committee**

The audit committee comprises of Mr. Sunil D. Shah, Mr. Bhausaheb Kure and Mr. Ashok S. 2 of the members of the Committee are independent directors. The Chairman of the Committee is Mr. Sunil D. Shah and Mr. Bhausaheb Kure shall be the Chairman of the Committee in case Mr. Sunil D. Shah is unable to attend any of the Audit Committee meetings. The Audit Committee meeting was held on 1st September 2004 to review the Accounts for the financial year ended March 31, 2004. The Committee has powers similar to those recommended in Clause 49 of the Listing Agreements relating to Corporate Governance.

Shareholder's / Investors' Grievance Committee

The Company constituted the Shareholder's / Investors' Grievance Committee at its meeting held on 20th March 2002, in compliance with the requirements of the Corporate Governance Clause.



The Shareholder's / Investors' Grievance Committee comprises of Mr. Sunil D. Shah, Managing Director, who is also the compliance officer of the Company, Mr. Ashok S. and Mr. Bhausahab Kure. The quorum of the meeting is any two members, one of whom shall chair the meeting.

The Committee considers all shareholders' complaints, received from the Stock Exchanges, SEBI, Investor Associations and Department of Company Affairs, as well as complaints, if any received by the Company directly from shareholders/investors and ensures that necessary action is taken in ensuring redressal of the complaints received.

Listing of Shares

The Shares of the Company are listed with The Stock Exchange, Mumbai, which is also the regional Stock Exchange and with The Stock Exchange, Ahmedabad, Madras Stock Exchange Limited, Chennai and The Delhi Stock Exchange Association Limited, New Delhi. Listing fees are not paid from the year 2001-2002.

Marketing, Expansion / Diversification: The economic environment of the Country, particularly in the segments in which the Company's major customers operate, has seen a significant downturn. In view of the turbulent market conditions, the Company has altered its activities.

The Company is going through a very lean phase with respect to mould as well as general industry recession since May 2000.

Industrial Relations: During the year, industrial relation have been cordial and directors thank all the employees for their contribution towards the subsistence of the company.

Fixed Deposits

The Company has not accepted any deposits from the public, and as such, there are no outstanding deposits in terms of Companies (Acceptance of Deposits) Rules, 1975.

Conservation of Energy:

Electricity consumed **39,364 units.**

Foreign Exchange Earnings & Outgo:

Foreign Exchange Earnings during the year: **Nil**
Foreign Exchange Outgo during the year: **Nil**

Particulars of Employees:

As required under Sub Section 2A of Section 217 of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and as amended from time to time, the particulars of such employees are not applicable to the Company.



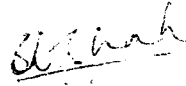
Auditors:

The Auditors M/s. S. M. Bhatt and Associates, Chartered Accountants, are holding their office as the Auditors of the Company till the conclusion of the ensuing Annual General Meeting have given their consent for reappointment for the next annual general meeting.

Acknowledgement:

The Directors wish to take this opportunity to thank all the employees of the Company as also the M/s. Janakalyan Sahakari Bank Ltd. and various other Government Agencies for their continuous contribution towards the growth of the organisation.

**By order of the Board of Directors
For Aakar Eng. And Mfg. Co. Ltd.**



**Place:- Mumbai
Date:- 30th June 2005**

**Sunil Shah
Chairman**



S. M. Bhat & Associates**CHARTERED ACCOUNTANTS**

Tel. : 55788138

26606395

Fax : 26606394

338, Dheeraj Heritage, Opp. to Milan Subway Junction, S. V. Road,
Santacruz (West), Mumbai-400 054. e-mail:sitarambhat@yahoo.co.in

Ref. No. _____

Date _____

AUDITOR'S REPORT

To,
The Members of **M/s. AAKAR ENGINEERING & MANUFACTURING COMPANY LIMITED**

We have audited the attached Balance Sheet of M/s. AAKAR ENGINEERING & MANUFACTURING COMPANY LIMITED as at **31st March 2005**, together with the Profit & Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:-

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit.

In our opinion proper books of accounts as required by the law have been maintained by the company so far as it appears from our examination of the books.

The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of accounts.

In our opinion, the Balance Sheet and Profit and Loss Account comply with the Accounting standards referred to in Sub-Section 3(C) of the section 211 of the Companies Act, 1956 to the extent applicable.

On the basis of information obtained, we state that none of the Directors of the Company are prima-facie disqualified under Section 274 (1) (g) of the Companies Act, 1956 from being appointed as a Director of the Company as on **31st March, 2005**.

