

AAKAR ENGINEERING & MANUFACTURING Co.Ltd.

BOARD OF DIRECTORS :

Mr. Sunil D. Shah
Managing Director

Mr. Bhausahab S. Kure
Director

Mr. Ashok S.
Director

AUDITORS

S. M. Bhat and Associates
Chartered Accountants,
Mumbai

BANKERS

JANKALYAN SAHKARI BANK LTD.
Sakinaka Branch, Andheri (East),
Mumbai.

REGISTERED OFFICE

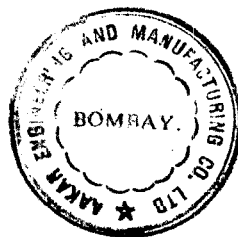
82, Old Nagardas Road,
Andheri (East),
Mumbai 400 069

SHARES LISTED AT

The Stock Exchange, Mumbai
The Stock Exchange, Ahemadabad

REGISTRARS AND TRANSFERAGENTS

M/s. Adroit Corporate Services Private
Limited
19, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol
Naka, Andheri (East), Mumbai- 400
059.
Tel.: +91 (022) 2850 3748 / 2859
0942.
Fax.: +91 (022) 2859 0942



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NOTICE

Notice is hereby given that the sixteenth Annual General Meeting of Aakar Engineering and Manufacturing Co. Ltd. will be held on 28-09-2007 at its Registered Office 82, Old Nagardas Road, Andheri (East), Mumbai 400 069, at 3.00 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 2007 and the Balance Sheet and Notes to Accounts, as at 31.03.2007 and the report of Directors and Auditors thereon.
2. To confirm the appointment of Mr. Ashok S. who was appointed as director. The Directors recommend his 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

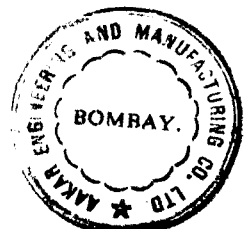
Sunil D. Shah
Managing Director

Place: Mumbai

Date: 03-09-2007

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.

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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 2007.

Financial Results

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
a) Sales and other income	497.52	982.30
b) Profit before Interest, Depreciation and non-cash exp.	(166.36)	(253.72)
c) Interest	70.47	101.32
d) Depreciation and other non cash expenses	0.99	1.10
e) Provision for Taxation	0.11	0.56
f) Net Profit /(Loss) before Appropriation	237.93)	(356.70)
g) Add: Deferred Tax	80.25	88.28
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	(157.68)	(268.42)
h) Add: Balance Brought Forward	(602.67	(334.25)
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Net Profit & (Loss) trf. to Balance sheet	(760.35)	(602.67)
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Dividend:

Due to losses during year the Board of Directors does not recommend any dividend for the year ended 31st March 2007.

Turnover and Profits and Operations:

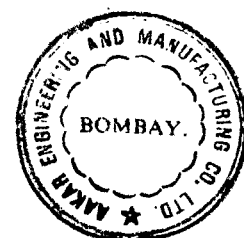
Turnover for the year under review amounted to Rs 497.52 Lac (previous year Rs.947.25 Lac). The net loss for the same year was Rs.237.81 Lac (previous year Rs. 356.14 Lac).

Finance and Accounts:

During the year, the Company could not progress much and 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. However your directors hopeful of doing a better performance in the future.

Auditors:

The Auditors M/s. S. M. Bhat & Associates., Chartered Accountants, are holding their office as the Auditors of the Company till the conclusion of the ensuing Annual General Meeting. M/s. S. M. Bhat and Associates, Chartered Accountants, have expressed their consent to continue as Statutory Auditors of the Company and your Board recommends their appointment.



Audit Committee

The company has duly constituted audit committee under section 292A of the companies act, 1956.

Acknowledgement:

The Directors wish to take this opportunity to thank all the employees of the Company as also various other Government Agencies for their continuous contribution towards the growth of the organization.

For Aakar Engineering and Manufacturing Company Limited

Chairman

Place: Mumbai

Date : 03-09-2007

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S. M. Bhat & Associates Chartered Accountants

Block No: 'H' Shree Sadashiv Co-OP. Hsg. Society Ltd., 6th Road, Santacruz (E) Mumbai – 400 055.
Tel. No. 26128977/26129064/26150520 Fax : 26136620

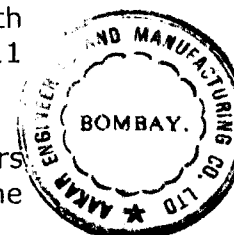
AUDITOR'S REPORT

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 2007, 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:-
 - a) 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.
 - b) 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.
 - c) The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - d) 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.

e) 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



CERTIFIED

S. M. Bhat & Associates Chartered Accountants

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Tel. No. 26128977/26129064/26150520 Fax : 26136620

Companies Act, 1956 from being appointed as a Director of the Company as on 31st March, 2007.

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view.

i) In the case of Balance Sheet of the State of Affairs of the Company as at 31st March, 2007 and

ii) In the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date.

iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S. M. BHAT & ASSOCIATES
CHARTERED ACCOUNTANTS


Mr. S. M. BHAT
PROPRIETOR

PLACE :- MUMBAI
DATE: 6th June, 2007.



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