



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 Indl. 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 though 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