

**13 August 2015**
**CMP:** Rs.27.8

**Industry:** Industrial Machinery

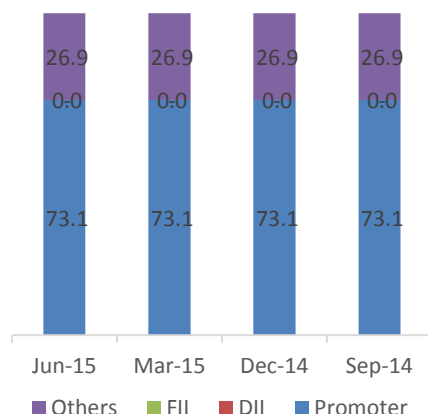
**BSE group:** B

**Promoters**

R. L. Gupta, his family and group companies

**Key Data (as on 13-August-15)**

BSE	530621
ISIN	INE864E01013
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	157.5
Current P/E	13.3
Current P/BV	0.6
52 week low-high	21.5-35.95
30 days avg daily trading volume	6988.0
Equity capital (Rs mn)	53.9
Net worth (Rs mn)	248.4

**Shareholding Pattern (%)**


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**Company business**

Akar Tools Ltd., is a forward integrated enterprise of the Rs 6.2 bn Aarel Group of Industries, situated at Waluj - Aurangabad, Maharashtra. ATL manufactures hi-quality precision engineered hand tools, auto leaf springs, parabolic springs and commercial automotive forgings for sale in India and exports to Europe, USA, Japan, Australia etc. It has four manufacturing units in Aurangabad. The company has a GS certification from TUV (Rheinland) Safety GmbH, Germany, for its spanners. ATL has a workforce of over 400 personnel. ATL conceptualizes, designs and manufactures spanners, wrenches, carpenter / striking tools, automotive / construction tools, tool aprons, tool packaging and electrical / electronic tools using state-of-art Makino CNC machines, Collocate polishing machines, vibrators etc.

**Financials**

Particulars (Rs in mn)	Apr '15 to Jun '15	Apr '14 to Jun '14	% Change <sup>1</sup>	Jan '15 to Mar '15	% Change <sup>2</sup>
Total income	380.8	364.1	4.6%	435.8	(12.6%)
Total operating expenditure	357.1	338.7	5.4%	409.6	(12.8%)
EBIDTA	23.7	25.4	(6.7%)	26.2	(9.5%)
EBIDTA margin	6.2%	7.0%	-	6.0%	-
PBT	4.0	5.3	(24.5%)	4.3	(7.0%)
PAT	2.6	4.3	(39.5%)	0.8	225.0%
PAT margin	0.7%	1.2%	-	0.2%	-
Cash accruals	9.2	12.1	(24.0%)	4.9	87.8%
EPS	0.5	0.8	-40.0%	0.2	220.0%

<sup>1</sup> compared to corresponding quarter in the previous year

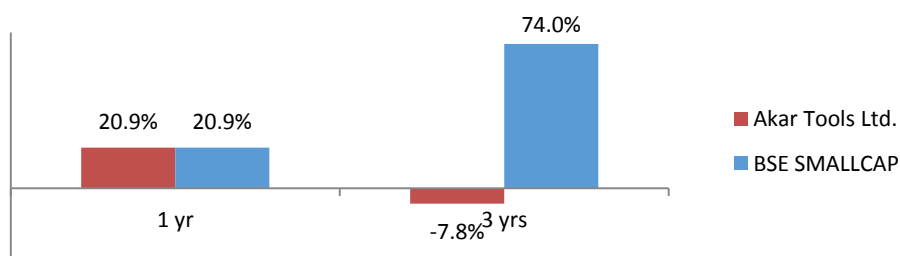
<sup>2</sup> sequential comparisons

Source: Moneycontrol, Company

**Financial Performance**

Linked to the improvement in fortunes of the auto and manufacturing industry, Akar tools achieved a growth of 4.6% in turnover from Rs. 364.1 mn in QE Jun 14 to Rs. 380.8 mn in QE Jun 15. Profitability however declined due to higher cost of inputs and interest charges. PAT for QE Jun 15 was down to Rs 2.6 mn from a profit of Rs 4.3 mn in QE Jun 14. Akar Tools is working towards penetrating new markets in India and pushing sales abroad with various OEM's, the benefits of which are visible in FY15.

Main clients in India are Greaves Cotton, M&M, Piaggio Vehicles, Kirloskar Oil Engines, Bajaj Auto, Maruti Enterprise, Ashok Leyland, Tata Motors. Exports are to global giants such as Wal Mart, K-Mart, Stanley Tools etc. in the DIY segment.

**Share Price Performance**


**Financials**

<b>P&amp;L (Rs. mn)</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Total income	1,429.50	1,420.60	1426.4
EBIDTA	112.1	93.2	86.9
EBIDTA margin	8%	7%	6%
Depreciation	22.9	23.6	24.1
EBIT	89.2	69.6	62.8
Interest	62.2	53.8	49.1
PBT	27	15.8	13.7
Tax	4.7	6.5	6.7
PAT	22.3	9.3	6.9
PAT Margin	2%	1%	0%
	-	-	-
Dividend Payout	3.1	3.1	3.8

<b>Valuation ratios</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
P/E	7.4	10.1	19.9
P/BV	0.7	0.4	0.6

<b>Balance Sheet (Rs. mn)</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Total Share Capital	53.9	53.9	53.9
Share Application Money, Share Warrants, etc.	-	-	-
Reserves & Surplus	185.2	191.4	194.5
<b>Networth</b>	<b>239.1</b>	<b>245.3</b>	<b>248.4</b>
Borrowings	452.1	378.7	353.8
Current Liabilities & provisions	373.5	416.6	450.6
Net Deferred Tax Liabilities	45.8	48.6	51.0
<b>Total Liabilities</b>	<b>1,110.5</b>	<b>1,089.2</b>	<b>1,103.8</b>
Net Fixed Assets	361.5	352.4	343.3
Investments	11.6	11.6	11.6
Loans & Advances	65.1	55.5	97.4
Current Assets	672.3	669.7	651.9
<b>Total Assets</b>	<b>1,110.5</b>	<b>1,089.2</b>	<b>1,103.8</b>

<b>Cash Flow (Rs.mn)</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
PBT	27.0	15.8	13.7
CF from Operation	42.1	132.0	61.8
CF from Investment	(29.4)	(14.5)	(15.5)
CF from Financing	(10.4)	(127.8)	(42.6)
Inc/(dec) Cash	2.3	(10.3)	4.1
<b>Closing Balance</b>	<b>18.6</b>	<b>8.3</b>	<b>12.5</b>

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