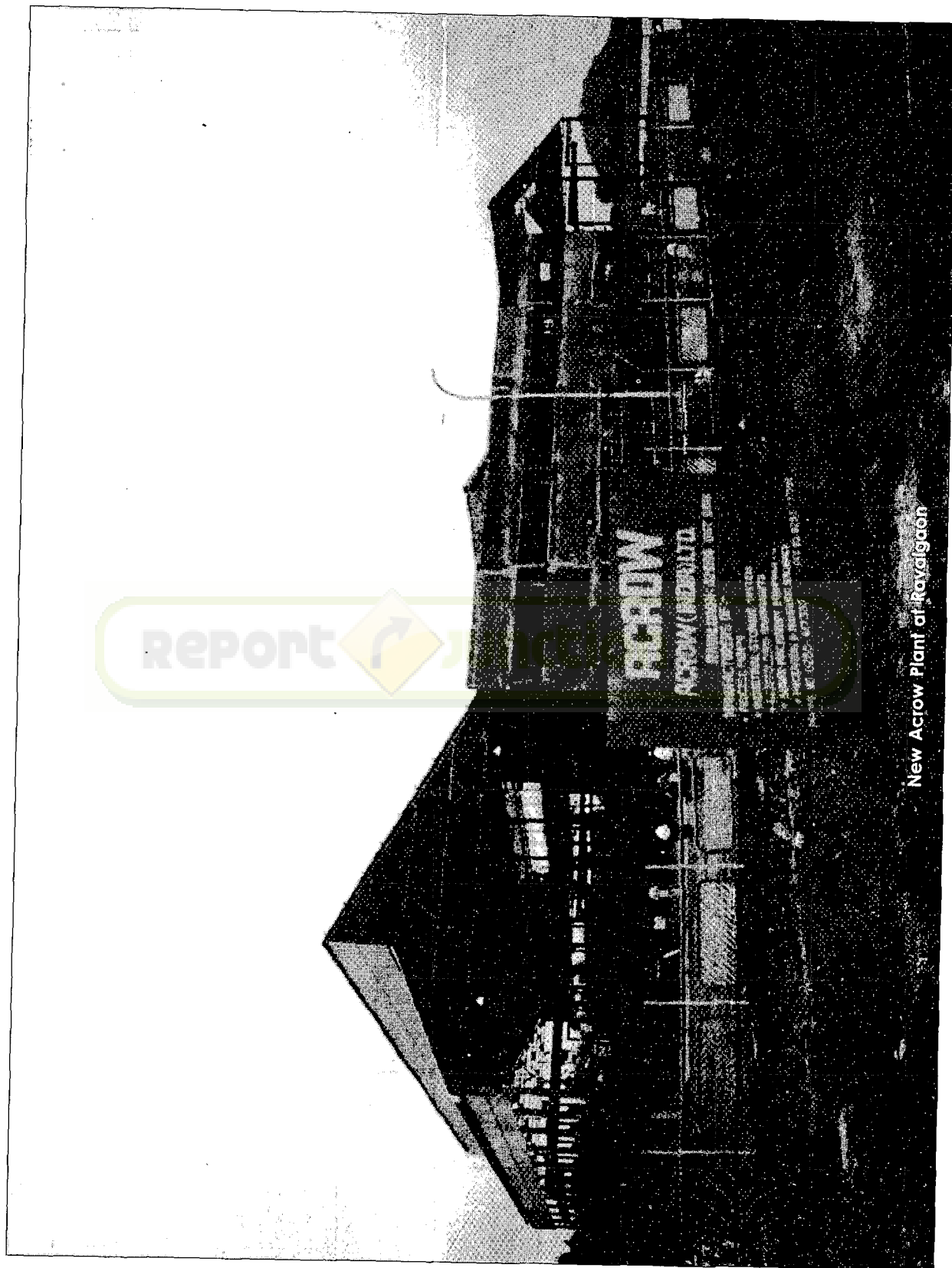


MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

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ACROW



New Acrow Plant at Rayalgaon



ACROW INDIA LIMITED

38TH ANNUAL REPORT AND ACCOUNTS 1997-98

BOARD OF DIRECTORS

Harshavardhan B. Doshi, *Chairman*

Narayan Varma

Vikram M. Bhat

Manohar B. Bhide

Vijay A. Advani, *Executive Director*

REGISTERED OFFICE/SHARE DEPT.

10, World Trade Centre, 'Arcade'
Cuffe Parade
Mumbai 400 005

CHAIRMAN'S OFFICE

Meher Chambers
III Floor, Sunder Lal Bahl Path
Ballard Estate
Mumbai 400 001

SECRETARY

V. K. Bodas

AUDITORS

N. M. RAJI & CO.
Chartered Accountants

MARKETING OFFICE

10, World Trade Centre
'Arcade'
Cuffe Parade
Mumbai 400 005

BANKERS

Bank of Baroda
Industrial Finance Branch, Mumbai

WORKS

At & Post : Ravalgaon
Tal. Malegaon
Dist. Nashik
Maharashtra State
Pin Code 423 108

Annual General Meeting

Thursday, 24th September, 1998 at 4.30 p.m.

M. L. Dahanukar Sabhagraha
Maharashtra Chamber of Commerce
K. Dubhash Road, Mumbai 400 001



NOTICE

NOTICE is hereby given that the THIRTY-EIGHTH ANNUAL GENERAL MEETING of the Members of Acrow India Limited, will be held on Thursday, 24th day of September, 1998 at 4.30 p.m. at M.L. Dahanukar Sabhagraha, Maharashtra Chamber of Commerce, K. Dubhash Road, Mumbai 400 001, to transact the following business.

ORDINARY BUSINESS

1. To receive and adopt the Profit and Loss Account for the financial year ended 1997-98, the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Vikram M. Bhat, who retires by rotation, and who being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution;

"RESOLVED That pursuant to the provisions to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its approval to the appointment of Mr. Vijay A. Advani as the Executive Director of the Company, for a period of 3 years effective from 27th March, 1998 upon terms, conditions and stipulations as contained in the draft agreement, a copy whereof, initialled by the Chairman for the purpose of identification is placed before the Meeting with a authority to the Board of Directors to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any statutory modifications thereof, as may be agreed to by the Board of Directors and Mr. V.A. Advani."

By Order of the Board
V.K. Bodas
 Company Secretary

Registered Office:

10, World Trade Centre, 'Arcade'
 Cuffe Parade
 Mumbai - 400 005

Date: 26th June, 1998

NOTES:

- a. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



- b. The Register of Members of the Company will remain closed from Tuesday, 15th September, 1998 to Thursday, 24th September, 1998, both days inclusive.
- c. Dividend, if declared at the Annual General Meeting will be paid within a statutory period of 42 days to those Members, whose names appear in the Company's Register of Members as on 24th September, 1998.
- d. The amount of Unclaimed Dividends for and upto the year ended 31st March, 1991, have been transferred to the Central Government under the Companies Unpaid Dividend (Transfer to the General Revenue account of the Central Government) Rules, 1978 in terms of the provisions of Section 205A of the Companies Act, 1956. Those Members who have so far not claimed their Dividend for the said period may claim the same by submitting an application in the prescribed form II to the Registrar of Companies, Maharashtra. The Company has not declared any Dividend for the accounting years ended 31st March, 1992, 1993, 1994.
- e. Explanatory statement under Section 173 (2) of the Companies Act, 1956 is annexed hereto.

EXPLANATORY STATEMENT IN RESPECT TO SPECIAL BUSINESS, PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 5:

The Board of Directors in its Meeting held on 27th March, 1998, appointed Mr. V.A. Advani as the Executive Director with immediate effect, subject to the approval of the shareholders.

Mr. V.A. Advani is a Graduate of science stream of Bombay University with Post Graduate Management qualifications in Sales & Marketing and Finance. He has over 26 years of Industry experience in the areas of Manufacturing, Marketing, Finance, Technical and General Management in India and Abroad. The appointment of Mr. V.A. Advani would be appropriate, and in the best interest of the Company. The Directors recommend his appointment by the shareholders on the terms of remuneration indicated hereinbelow:

Consolidated Salary	: Rs. 33000/- p.m. in the grade of Rs. 33000 – 3000 – 39000
H.R.A.	: 20% of the Consolidated Salary
Gas, Electricity & Soft Furnishing Reimbursement	: 10% of the Consolidated Salary
Leave Travel Allowance	: Rs.10000/- p.a.
Retirement Benefits including P.F. & Gratuity	: As per rules of the Company
Medical/Medical insurance	: As per rules of the Company
Reimbursement of Attire & Professional development Expenses etc.	: As per rules of the Company
Entertainment Expenses for Official purposes	: At actuals

Mr. Advani shall also be eligible for a Company's Car for official use and reimbursement of Driver's Expenses and Residential Telephone Expenses for official purposes, as per rules of the Company.

This Remuneration shall also be the minimum remuneration payable to Mr. V.A. Advani as per the provision of Schedule XIII to the Companies Act, 1956.

Other Terms and Conditions :

Mr. V.A. Advani shall,

- a. Subject to the Superintendence, control and directions of the Board, manage and conduct, and devote his whole time to the business and affairs of the Company.
- b. So long as he functions as the Executive Director, not become interested or otherwise concerned directly or indirectly through his relatives, in any transaction with the Company without prior approval of the Board and such other approvals, if any, as may be applicable.
- c. Keep the secrets of the Company.

In view of the provisions of Section 309 of the Companies Act, 1956, an Ordinary Resolution as set out in the accompanying Notice is placed before the Members for their consideration and approval.

A Copy of the draft agreement referred to in the Resolution is available for inspection by the Members at the Registered Office of the Company during the business hours on any working day excluding Saturday, upto the date of the Meeting.

This Explanatory Statement together with the accompanying notice may also be regarded as an abstract and memorandum under Section 302 of the Companies Act, 1956.

None of the Directors except Mr. V.A. Advani is considered interested or concerned in the Resolution at Item No. 5.

By Order of the Board

V.K. Bodas
Company Secretary

Registered Office:

10, World Trade Centre, 'Arcade'
Cuffe Parade
Mumbai - 400 005

Date: 26th June, 1998



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their Thirty-eighth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS

	Current year 1997-98 Rs. in lacs	Previous year 1996-97 Rs. in lacs
Sales and other Income	274.29	347.35
Operating Profit before Interest and depreciation	37.87	111.13
Less: Interest	0.70	0.01
Depreciation	17.44	16.17
Profit before tax	19.73	94.95
Less: Provision for Tax	2.11	30.02
Profit after Tax	17.62	64.93
Less: Short provision of Income Tax for earlier years	—	0.01
Add: Balance brought forward from the previous year	17.87	7.03
Profit available for appropriation	35.49	71.95

APPROPRIATIONS

— Transfer to General Reserve	3.79	40.00
— Proposed Dividend	12.80	12.80
— Provision for Tax on proposed dividend	1.28	1.28
Balance carried to Balance Sheet	17.62	17.87

DIVIDEND

The Board is pleased to recommend payment of Dividend @ 20% for the year ended 31st March, 1998, absorbing a sum of Rs.12.80 lacs.

PERFORMANCE

The performance of the Company during the year was adversely affected due to overall depressed market conditions. The sales during the year were lower at Rs. 130.23 lacs as compared to the sales of

Rs. 208.94 lacs during the previous year. The profit before tax was also substantially lower at Rs. 19.73 lacs as compared to Rs. 94.95 lacs during the previous years.

CURRENT YEAR

During the period under review, based on commercial and economic considerations, the Board had taken the decision to shift the entire Aurangabad operations to Ravalgaon in Malegaon Taluka in Nasik District in the State of Maharashtra. Accordingly, a land admeasuring approximately 5 acres is acquired on lease from Ravalgaon Sugar Farm Ltd. Construction of the factory shed and shifting of the plant & machinery from Aurangabad to Ravalgaon is almost complete. The new plant of Ravalgaon is expected to become operational by July 1998.

In view of the slack in the demand for construction materials, viz. scaffoldings and shutterings etc., a decision was taken during the previous year to enter a new line of business of Packaging machinery. The technical collaboration agreement was signed with Bud-Pak Pty. Ltd., Australia who are one of the well known and leading manufacturers of various types of Packing machinery and Packaging systems, Internationally. The Company has already made prototypes of some of these Weighing and Bagging Machines.

During the year under review, the Board had also taken a decision to acquire the Industrial Machinery Division (IMD) of The Ravalgaon Sugar Farm Ltd., situated at Ravalgaon as a Going Concern w.e.f. 1st April, 1998. The transfer formalities in this regard are expected to be completed by the end of September, 1998. The Machinery of IMD would be physically shifted from its present location in The Ravalgaon Sugar Farm Ltd. premises to the new location on which the factory shed of the Company is under construction.

At present, IMD essentially manufactures the components of material handling system for sugar factories, such as graders, pumps, hoppers, feeders, conveyors etc. and also supplies such systems on Turnkey basis. Efforts are being made to find other industrial applications for these products. The material handling systems manufactured at IMD together with the weighing and bagging machines being manufactured by the Company, in combination or otherwise, are expected to provide better marketability to the Company's products.

Efforts are also being made to widen the market for the Company's Industrial Storage Systems, which are one of the best and sturdiest 'ACROW' systems accepted in the country.

INCOME TAX

The Income Tax Assessments of the Company have been completed up to the Accounting Year 1994-95.

FIXED DEPOSITS

The Company did not accept/renew any deposits from the public during the year under review. As of date 17 deposits amounting to Rs. 66,000/- have remained unclaimed. The Company has already written to these deposit-holders to surrender their FD receipts and claim refund.

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

A Statement giving the details regarding the Conservation of Energy and Technical Absorption, Foreign Exchange Earnings and Outgo as required by the Companies (disclosure of particulars in the



report of the Board of Directors) Rules, 1988, is annexed hereto as Annexure A and forms part of this report.

PERSONNEL

The Voluntary Scheme introduced at Aurangabad by the Company during the year under review received encouraging response.

The relations with the employees continue to remain extremely cordial. The Directors express their appreciation for the support given, and the contribution made by the employees at all levels during the difficult phase the Company is currently passing through.

Particulars of employees under Section 217 (2A) of the Companies Act, 1956, read with the (Particulars of employees) Rules, 1975, as amended, are given in Annexure B to this report.

DIRECTORS

During the year under review, Mr. V.A. Advani was appointed as an Executive Director and President of the Company w.e.f. 27th March, 1998. His appointment is subject to the approval of the Shareholders at the Annual General Meeting.

Mr. S.A. Vaidya, resigned w.e.f. 5th September, 1997 as a Director of the Company. The Board puts on record its sincere appreciation for the valuable services rendered and contribution made by Mr. S.A. Vaidya during his tenure as the Director of the Company.

The Board appointed Mr. M.B. Bhide w.e.f. 25th November, 1997 as a Director in the casual vacancy caused by the resignation of Mr. S.A. Vaidya.

In accordance with the provisions of the Companies Act, 1956 and Article 152 of the Company's Article of Association, Mr. Vikram M. Bhat would retire by rotation at the forthcoming Annual General Meeting; and being eligible, offers himself for re-appointment.

AUDITORS

Pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s. N.M. Rajji & Co., Chartered Accountants would retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENT

The Board places on record its appreciation for the continued support extended to the Company by the Shareholders, Banks, Suppliers and Customers.

For and on behalf of the Board of Directors

Harshavardhan B. Doshi
Chairman

Registered Office:

10, World Trade Centre, 'Arcade'
Cuffe Parade
Mumbai - 400 005

26th June, 1998