

44th
Annual Report
2003-2004

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ACROW

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ACROW INDIA LIMITED

44TH ANNUAL REPORT AND ACCOUNTS 2003-2004

BOARD OF DIRECTORS

Harshavardhan B. Doshi, *Chairman*

Narayan Varma

Vikram M. Bhat

Manohar B. Bhide

Dattatraya S. Kulkarni

REGISTERED OFFICE / WORKS / SHARE DEPT.

Plot Nos. 2 & 3

At & Post : Ravalgaon

Tal. Malegaon

Dist. Nashik

Maharashtra State

Pin Code 423 108

AUDITORS

N. M. RAJJI & CO.

Chartered Accountants

ADMN. OFFICE / MARKETING OFFICE

10, World Trade Centre, 'Arcade'

Cuffe Parade

Mumbai 400 005

Tel. (022) 22187987

BANKERS

Bank of Baroda

Corporate Financial Services Branch, Mumbai

CHAIRMAN'S OFFICE

Meher Chambers, III Floor

Dr. Sunderlal Bahl Path

Ballard Estate

Mumbai 400 038

Annual General Meeting

Thursday, 30th September, 2004 at 9.30 a.m.

Kride Mandal Hall

At & Post Ravalgaon, Taluka Malegaon,

Dist. Nashik, Maharashtra, Pin Code 423 108

NOTICE

NOTICE is hereby given that the FORTYFOURTH ANNUAL GENERAL MEETING of the Members of Acrow India Limited will be held on Thursday, 30th September, 2004 at 9.30 A.M. at Krida Mandal Hall, At & Post Ravalgaon, Taluka Malegaon, Dist. Nashik, Maharashtra, Pin Code 423 108, to transact the following business.

ORDINARY BUSINESS

1. To receive and adopt the Profit and Loss Account for the financial year 31st March, 2004, the Balance Sheet as on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. M.B. Bhide, Director, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D.S. Kulkarni, Director, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

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By Order of the Board

Harshavardhan B. Doshi
Chairman

Registered Office:

Plot Nos. 2 & 3
At & Post Ravalgaon
Taluka Malegaon, Dist. Nashik
Maharashtra
Pin Code 423 108

Date : 25th June, 2004.

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 23rd September, 2004 to 30th September, 2004, both days inclusive.
- (c) Dividend, if declared at the Annual General Meeting will be paid within a statutory period of 30 days to those Members, whose names appear in the Company's Register of Members as on 30th September, 2004.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their Forty-fourth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

	Current year 2003-04 Rs. in lacs	Previous year 2002-03 Rs. in lacs
Sales and other Income	481.39	929.90
Operating Profit	53.83	119.45
Less: Interest	4.47	9.20
Depreciation	31.64	31.75
Profit before Tax	17.72	78.50
Less: Provision for Tax		
- Current Tax	8.00	29.50
- Deferred Tax	(4.00)	(3.86)
Profit after Tax	13.72	52.86
Add: Balance brought forward from the previous year	99.95	59.55
Less: Income Tax for earlier years	1.17	0.24
Balance available for appropriation	112.50	112.17
APPROPRIATIONS		
- Proposed Dividend	6.40	6.40
- Corporate Dividend Tax	0.82	0.82
- Transfer to General Reserve	5.00	5.00
Balance Carried to Balance Sheet	100.28	99.95

DIVIDEND

The Board is pleased to recommend payment of Dividend @ 10% for the year ended 31st March, 2004. This dividend, if approved, shall be payable to the shareholders whose names appear on the Register of Members of the Company as on 30th September, 2004. The Company has transferred a sum of Rs. 12,508/- being unclaimed Dividend of the financial year 1995-96, as per the provisions of 205(C) of the Companies Act, 1956, to the credit of "Investor Education and Protection Fund established by the Central Government."

PERFORMANCE

The Company's turnover at Rs. 437.77 lacs (inclusive of excise duty) as compared to Rs. 883.17 lacs during the previous year reflects a reduction of 50.50% over the previous year.

The Operating Profit for the year is Rs. 53.83 lacs (Previous year Rs. 119.45 lacs) and Profit Before Tax is Rs. 17.72 lacs (Previous year Rs. 78.50 lacs)

CURRENT YEAR

The Company has received an order valued at Rs. 2027 lacs for its Industrial Storage Systems. However the order book position for the Industrial Machinery is low at the beginning of the year. The draught season during the financial year 2003-2004 is responsible for this position, since major part of Company's business is directly attributable to the working of sugar factories.

INCOME TAX

The Income Tax Assessments of the Company have been completed upto the Accounting Year 2000-2001.

FIXED DEPOSITS

The Company did not accept/renew any deposits from the public during the year under review.

STATUTORY DISCLOSURES

A Statement giving the details regarding the Conservation of Energy and Technology 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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm

- a) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit and loss account of the Company for that year.
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that they have prepared the Annual Accounts on a going concern basis.

SECRETARIAL COMPLIANCE CERTIFICATE

A Secretarial Compliance Certificate pursuant to Section 383A of the Companies Act, 1956 is attached herewith as Annexure "B".

CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has formulated a Code of Corporate Governance with regard to the Board of Directors, appointment of Committees, Remuneration of Directors, Board Procedures, Management, Shareholders etc. and a new Clause 49 has been incorporated in the Listing Agreement for ensuring compliances thereunder. The activities of the Company are managed by professionally competent and independent Board of Directors and although, the Company does follow various stipulations made under the said code, the said new Clause 49 is not applicable to the Company since its Paid-Up Capital is far below the minimum level of Rs. 3.00 crores stipulated in the said clause.

PERSONNEL

The relations with the employees continue to remain cordial. The Directors express their appreciation for the support given, and the contribution made by the employees at all levels.

Particulars of employees under Section 217 (2A) of the Companies Act, 1956, read with the (Particulars of employees) Rules, 1975, as amended, are not given since there are no employees drawing remuneration stipulated under the said rules.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Article 152 of the Company's Article of Association, Mr. M.B. Bhide & Mr. D.S. Kulkarni would retire by rotation at the forthcoming Annual General Meeting; and being eligible, would offer themselves 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, would 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:

Plot Nos. 2 & 3
At & Post Ravalgaon
Taluka Malegaon, Dist. Nashik
Maharashtra
Pin Code 423 108
Date : 25th June, 2004.

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE 'A'**

Particulars as per Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

- I. In order to conserve energy, preventive maintenance of the Plant & Machinery is carried out on a regular basis. The production is taken in batches to obtain optimum output. Electrical power is mainly used for the manufacture of Company's products. Diesel oil is also used to a little extent for operating mobile crane and other material handling equipments.
- II. No additional investment to implement any proposal for reduction of energy consumption is envisaged during the year.
- III. The average cost of energy consumed in relation to the total cost of production is negligible. Consequently there will not be any significant impact on the cost of production on account of reduction in the consumption of energy.

B. TECHNOLOGY ABSORPTION:**a. Research and Development (R & D)**

- I. **Specified areas in which R & D carried out by the Company** — Efforts are continued for further improvement in quality of the products on a regular basis. Improving and maintaining the quality of certain key raw materials, mainly steel, paints etc. also continue to receive close attention.
- II. **Benefits derived as a result of the above R & D** — Maintenance of quality standards.
- III. **Future Plan of Action** — Steps are continuously being taken for the Development of new products, upgradation of technology and improvement of product quality with an aim of offering better products to the customers.
- IV. **Expenses on R & D** — The expenses of the Company on R & D are incurred primarily for testing of the product quality and specifications. Amount spent on such activity will not therefore, reflect the true expenses on Research and Development.

b. Technical Absorption, Adaptation and Innovation:

- I. **Effort, in brief, made for Technical Absorption, Adaptation and Innovation on the basis of the Company's own R & D activities** — Absorption and adaptation of the new technology is a continuous process to meet the specific needs of the local market.
- II. **Benefit derived as a result of the above efforts** — Improvement of product quality, cost effectiveness and energy conservation are the major benefits.
- III. **Imported Technology:**

(a) Technology imported	:	For Automatic Weighing and Bagging Machines
(b) Year of Import	:	1995-96
(c) Has technology been fully absorbed?	:	Yes
(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	:	Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- I. **Activities relating to exports; Initiatives taken to increase export; development of new Export Market for product and services; and export plans.**

The Company is continuously making efforts to find export market for its products, particularly in the neighbouring countries, Middle East and African countries.

- II. **Total Foreign Exchange earned and used:**

Foreign Exchange earned (Export Sales)	:	Rs. 8.22 Lacs
Foreign Exchange used	:	Rs. 4.72 Lacs

ANNEXURE 'B' TO DIRECTORS' REPORT COMPLIANCE CERTIFICATE

The Members,
Acrow India Limited
 P.O. Ravalgaon - 423 108,
 Taluka - Malegaon, Dist - Nasik,
 Maharashtra

We have examined the registers, records, books and papers of **ACROW INDIA LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended 31st March, 2004. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure-I to this certificate as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company duly filed the forms and returns as stated in Annexure-II to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. However no forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a Public Limited Company has the paid-up capital of Rs. 64,00,000/- (Rupees Sixty Four Lacs Only) as on 31st March, 2004.
4. The Board of Directors duly met 4 times on 20th June, 2003, 31st July, 2003, 31st October, 2003 and 30th January, 2004 and the Committee of the Board of Directors met on 2 occasions on 18th December, 2003 and 29th March, 2004 in respect of which meetings proper notices were given and proceeding were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 22nd September, 2003 to 30th September, 2003 the necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2003 was held on 30th September, 2003 after giving the due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or Persons or Firms or Companies referred to in the Section 295 of the Act and hence the question of compliance of Section 295 of the Act, does not arise.
9. The Company has duly complied with the provisions of Section 297 of the Act, in respect of the contracts specified in the Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The provisions of Section 314 of the Act are not applicable to the Company during the year under scrutiny.
12. The Company has not issued duplicate Share Certificates during the financial year, after complying with the provisions of the Companies Act, 1956.
13. The Company has :
 - (a) Delivered all the Share Certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (b) Deposited the amount of dividend declared in a separate Bank Account from the date of declaration of such dividend.
 - (c) Paid/posted warrants for dividend to all the Members within a period of 30 days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to unpaid dividend account of the Company.
 - (d) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and no appointment of Additional Directors, Alternate Directors was made during the financial year under scrutiny.
15. The provisions of Section 269 read with Schedule XIII to the Act, regarding the appointment of Managing Director/Whole-time Director/Manager are not applicable to the Company.
16. The Company has not appointed any Sole Selling Agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities as may be prescribed under the various provisions of the Act.

18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares, pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits during the year under review and hence the question of complying with the provisions of Section 58A and 58AA read with the Companies (Acceptance of Deposits) Rules, 1975/the applicable directions issued by Reserve Bank of India/any other authority in respect of deposits accepted including unsecured loans taken does not arise.
24. The Company has made borrowings during the financial year.
25. The provisions of Section 372A of the Act are not applicable during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or no show cause notices have been received by the Company during the year under scrutiny.
32. The Company has not received any amount as security from its employees during the year under scrutiny.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authority pursuant to Section 418 of the Companies Act, 1956.

ANNEXURE - I**REGISTERS MAINTAINED BY THE COMPANY:**

- (a) Register of Members U/S. 150 of the Companies Act, 1956.
- (b) Register of Directors shareholding U/S. 307 of the Companies Act, 1956.
- (c) Register of Directors, Managing Directors, Managers and Secretary U/S. 303 of the Companies Act, 1956.
- (d) Register of Contract U/S. 301 of the Companies Act, 1956.
- (e) Minutes Book of the Board of Directors U/S. 193(1) of the Companies Act, 1956.
- (f) Minutes Book of the proceedings of General Meetings U/S. 193(1) of the Companies Act, 1956.
- (g) Register of Fixed Deposits U/S. 58A of the Companies Act, 1956.
- (h) Register of Charges U/S. 143(1) of the Companies Act, 1956.
- (i) Books of Accounts and other Cost Records U/S. 209(I) of the Companies Act, 1956.

ANNEXURE - II

Forms and Returns filed by the Company with the Registrar of Companies, during the year ended on 31st March, 2004.

SR. NO.	FORM	PURPOSE
1.	Annual Report	U/S. 220 of the Companies Act, 1956.
2.	Annual Return	U/S. 159 of the Companies Act, 1956.
3.	Statement of Amounts Credited to Investor Education and Protection Fund.	U/S. 205(c) of the Companies Act, 1956.

Place : Mumbai

Date : 25th June, 2004.

S. R. Padhye

C.P. No. 1559