

45th
Annual Report
2004-2005

ACROW



ACROW INDIA LIMITED

45TH ANNUAL REPORT AND ACCOUNTS 2004-2005

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. RAIJI & 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

Friday, 30th September, 2005, at 10-30 a.m.

Krida Mandal Hall,
At & Post Ravalgaon, Taluka Malegaon,
Dist. Nashik, Maharashtra, Pin Code 423 108

NOTICE

NOTICE is hereby given that the FORTYFIFTH ANNUAL GENERAL MEETING of the Members of Acrow India Limited will be held on Friday, 30th September, 2005 at 10.30 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, 2005, the Balance Sheet as on that date and the Reports of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Harshavardhan B. Doshi, who retires by rotation, and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Vikram M. Bhat, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint Auditors and fix their remuneration.

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: 30th June, 2005

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, 2005 to 30th September, 2005 both days inclusive.

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Forty-fifth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2005.

FINANCIAL RESULTS

	<u>Current Year</u> 2004-05 (Rs. in lacs)	<u>Previous year</u> 2003-04 (Rs. in lacs)
Sales and other Income	683.63	481.39
Operating Profit/(Loss)	(33.94)	53.83
Less : Interest & Finance Charges	21.98	4.47
Depreciation	31.16	31.64
	-----	-----
Profit/(Loss) before Tax	(87.08)	17.72
Less : Provision for Tax	--	--
Current Tax	--	8.00
Deferred Tax	42.33	(4.00)
	-----	-----
Profit/(Loss) After Tax	(44.75)	13.72
Add: Balance Brought forward from the previous year	100.28	99.95
Less: Income Tax for earlier years	0.83	1.17
	-----	-----
Balance available for appropriation	56.36	112.50
 APPROPRIATIONS		
-Proposed Dividend	--	6.40
-Corporate Dividend Tax	--	0.82
Transfer to General Reserve	--	5.00
	-----	-----
Balance Carried to Balance Sheet	56.36	100.28

DIVIDEND

As the Company has incurred a loss, no dividend is recommended.

PERFORMANCE

The Company's turnover at Rs. 649.95 lacs (inclusive of excise duty and service tax) as compared to Rs. 437.77 lacs during the previous year reflects an increase of Rs.212.18 lacs over the previous year.

The Operating Loss for the year is Rs. 33.94 lacs (Previous year profit of Rs. 53.83 lacs) and Loss Before Tax is Rs. 87.08 lacs (Previous year profit before tax is Rs. 17.72 lacs)

CURRENT YEAR

The Company had received an order of the value of Rs.24.00 Crores for the supply and erection of high rise racking storage system in March, 2004 from M/s. Bharat Heavy Electricals Limited (BHEL) which is still being executed. The price of steel which is the main raw material has increased sharply and the Company has made a claim for a suitable increase in price which is under consideration.

The Net Sales up to date is Rs.377.44 Lacs and the present balance orders on hand including the above order is Rs.1526.72 Lacs.

INCOME TAX

The Income Tax Assessments of the Company have been completed upto the Accounting year 2002-2003.

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 Earning 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 (Amendment Act), 2000 and on the basis of information and advice received by them the Directors of your Company state as under:

- 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 the accounting policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year.
- c) that the Directors had 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 the Directors had 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 stipulation made under the said code, the said new clause 49 is not applicable to the Company.

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. Harshavardhan B. Doshi & Mr. Vikram M. Bhat retire by rotation at the forthcoming Annual General Meeting; and being eligible, offer themselves for re-appointment.

AUDITORS REMARKS

The observation of the auditors in Para 3(a) of their report to the members regarding recognition of deferred tax asset has been explained in item 8 of notes forming part of the accounts (Schedule 21).

AUDITORS

Pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s. N. M. Rajji & Co., Chartered Accountants 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:

Plot Nos. 2 & 3

At & Post - Ravalgaon

Taluka Malegaon, Dist. Nashik

Maharashtra. Pin code 423 108

Date : 30 June 2005.

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

Particulars as per Companies (Disclosure of particulars in the Report of the 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 implement any proposal for reduction of energy consumption is envisaged during the year.

III. The average cost of energy consumed in relating 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 is 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 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 : Not applicable

this has not taken place, reasons therefore and future plan of action

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. 1.74

Foreign Exchange used : Rs. --

ANNEXURE 'B' TO DIRECTORS' REPORT COMPLIANCE CERTIFICATE

The Members,
Acrow India Ltd.,
P.O.Ravalgaon. 423108. Tal. Malegaon, Dist. Nasik.

I have examined the registers, records, books and papers of Acrow India Limited as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2005. In my opinion and to the best of my information and according to the examination carried out by me and explanation furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure - 'A' 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 has duly filed the forms and returns as stated in Annexure - 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
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, 2005.
4. The Board of Directors duly met four times respectively on 25th June, 2004, 30th July, 2004, 29th October, 2004, and 28th January, 2005 and the Committee of the Board of Directors met once on 10th December, 2004 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 23rd September, 2004 to 30th September, 2004.
6. The Annual General Meeting for the financial year ended on 31st March, 2004 was held on 30th September, 2004 after giving 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 under section 295 of the Act.
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. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Board of Directors has approved the issue of duplicate share certificates.
13. During the financial year ending 31st March, 2005
 - (i) Delivered all the Share Certificates on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act. There was no allotment during the year.

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- (ii) Deposited the amount of dividend declared in a separate Bank Account from the date of declaration of such dividend.
 - (iii) 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.
 - (iv) Transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) The Company duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
 15. The Company has not appointed any Managing Director / Whole time Director / Manager during the financial year.
 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 Govt. Company Law Board, Regional Director, Registrar of Companies and / or such other authorities prescribed under the various provisions of the Act during the financial year.
 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 or any other securities during the financial year.
 20. The Company has not bought back any shares during the financial year ending 31st March, 2005.
 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 including any unsecured loans falling within the purview of Section 58A during the financial year.
 24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31st, March, 2005 are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened annual / extra ordinary general meeting.
 25. The Company has made loans and investments etc. to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to 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.
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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. As certified by the management there was no prosecution initiated against or. show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
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 - A**Registers as maintained by the Company****STATUTORY REGISTERS**

1. Register of Members under Section 150
2. Minutes of Board Meetings and General Meetings under Section 193
3. Register of Directors shareholdings under Section 307
4. Register of Directors under Section 303.
5. Register of charges under Section 143 of the Companies Act, 1956.
6. Register of Contract under Section 301 of the Companies Act. 1956

Annexure - B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial period ending 31st March, 2005.

Sr. No.	Form No.	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes / No.
1.	Form 8	125	Creation of charge	23.04.04	Yes	N.A
2.	Form 13	125	Register for creation of charge	23.04.04	Yes	N.A
3.	Balance Sheet(SII-6)	220	Balance Sheet for the financial year ended 31.3.2004	11.10.04	Yes	N.A.
4.	Annual Return	159	Annual Return as at the date of AGM held on 30.09.2004	11.11.04	Yes	N.A
5.	Compliance Certificate	383	Compliance certificate for the financial year ended 31.3. 2004	11.10.04	Yes	N.A
6.	Form 1	205	Transfer to Investor Education and Protection Fund.	15.10.04	Yes	N.A

Place : Mumbai

Ratan Kapadia
Company Secretary,
F.C.S. No.1395, CP No.957.

Date : 30th June 2005