

46th
Annual Report
2005-06

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ACROW

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ACROW INDIA LIMITED

46TH ANNUAL REPORT AND ACCOUNT 2005-2006

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 2006 at 2.30 p.m.

Krida Mandal Hall,

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

NOTICE

NOTICE is hereby given that the FORTYSIXTH ANNUAL GENERAL MEETING of the Members of **Acrow India Limited** will be held on 30th September, 2006 at 02.30 PM 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, 2006, 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. Narayan Varma, who retires by rotation, and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. M.B. Bhide, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) 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: 29th July, 2006

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, 2006 to 30th September, 2006 (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, 2006.

DIRECTORS' REPORT

To,

The Members

Your Directors have pleasure in presenting their Forty-sixth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2006.

FINANCIAL RESULTS

	Current Year 2005-06 (Rs. in lacs)	Previous Year 2004-05 (Rs. in lacs)
Sales and other Income	795.54	683.63
Operating Profit/(Loss)	104.68	(32.94)
Less: Interest & Finance Charges	23.20	22.98
Depreciation	32.86	31.16
	-----	-----
Profit/(Loss) before Tax	48.62	(87.08)
Less: Provision for Tax		
Current Tax	1.00	-
Deferred Tax	14.48	42.33
Fringe Benefit Tax	1.37	-
	-----	-----
Profit/(Loss) After Tax	31.77	(44.75)
Add: Balance Brought forward from previous year	56.36	100.28
Less: Income Tax for earlier years	(4.20),	0.83
	-----	-----
Balance available for appropriation	83.93	56.36
 APPROPRIATIONS		
- Proposed Dividend	6.40	-
- Corporate Dividend Tax	0.90	-
Transfer to General Reserve	15.00	-
	-----	-----
Balance Carried to Balance Sheet	61.63	56.36
	-----	-----

DIVIDEND

The Board is pleased to recommend payment of Dividend @ 10% for the year ended 31st March, 2006. The dividend, if declared at AGM, will be paid to those shareholders whose names appear on the Register of Members of the Company on 30th September, 2006 or on the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on 22nd September, 2006. The Company has transferred a sum of Rs.16,000/- being unclaimed Dividend of the financial year 1997-98 as per the provisions of 205C 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.731.67 lacs (inclusive of excise duty and service tax) as compared to Rs.649.95

lacs during the previous year reflects an increase of about 12.5% over the previous year.

The Operating Profit for the year is Rs.104.68 lacs as against loss of Rs.33.94 lacs in the previous year and Profit Before Tax is Rs.48.62 lacs (Previous year loss before tax is Rs.87.08 lacs).

CURRENT YEAR

The order for the supply and erection of high rise racking storage system received from M/s. Bharat Heavy Electricals Limited (BHEL) is still in progress for execution.

The Net Sales up to 30th June, 2006 is Rs.234.60 lacs and the present balance orders on hand is Rs.1267.79 lacs.

INCOME TAX

The Income Tax Assessments of the Company have been completed upto the Accounting Year 2003-04.

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 (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 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 some of the stipulation made under the said code, the said 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 is no employee 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. Narayan Varma and Mr. M.B. Bhide 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. Raiji & Co., Chartered Accountants 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, Bankers, 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 State
Pin Code 423 108

Date: 29th July, 2006.

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 an extent for operating mobile crane and other material handling equipments.
- II. No additional investment 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 significant impact is not expected 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 continues to receive proper 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 incurred by the Company on R & D are primarily for testing of the product quality and specifications. Amount spent on such activity will therefore not 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 importer : For Automatic Weighing and Bagging Machines
 - (b) Year of Import : 1995-96
 - (c) Has technology been fully absorbed? : Yes.

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. Nil
Foreign Exchange used.	Rs. Nil

ANNEXURE 'B' TO DIRECTORS REPORT COMPLIANCE CERTIFICATE

CIN : L13100MH1960PLC011601
 Nominal Capital : Rs.1.00 Crore
 Name of the Company : M/s. Acrow India Limited

To
 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, 2006. 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 is a Public Limited Company with paid-up capital of Rs.64,00,000/- (Rupees Sixty Four Lacs Only) as on 31st March, 2006.
4. The Board of Directors duly met 4 times on 30th June, 2005, 22nd July, 2005, 25th October, 2005 and 30th January, 2006 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 23rd September, 2005 to 30th September, 2005 and the necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31st March, 2005 was held on 30th September, 2005 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 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) 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, right 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 not 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 :

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 Contract under section 301 of the Companies Act, 1956.
6. Books of Accounts and other Cost Records under section 209 (1) of the Companies Act, 1956.

ANNEXURE - II

Forms and Returns filed by the Company with the Registrar of Companies, during the year ended 31st March, 2006.

S.No.	Form	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	Annual Report	U/S 220	Balance Sheet for the Financial year ended 31-03-2005	06.10.2005	Yes	N.A.
2	Annual Returns	U/S 159	Annual Return as at the date of AGM held on 30.09.2005	22.11.2005	Yes	N.A.
3	Statements of Amounts Credited to Investor Education and Protection Fund.	U/S 205 (C)	Transfer to "Investor Education and Protection Fund"	24.11.2005	Yes	N.A.
4	Compliance Certificate	U/S 383 A	Compliance certificate for the Financial year ended 31.03.2005	06.10.2005	Yes	N.A.

Place : Mumbai

Date : 29.07.2006

Bipin P. Raje
C.P. No. 6147