

47th
Annual Report
2006-07

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ACROW

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ACROW INDIA LIMITED

47TH ANNUAL REPORT AND ACCOUNTS 2006-2007

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.

Annual General Meeting

Saturday 29th September 2007 at 11.00 a.m.

Krida Mandal Hall,

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

NOTICE

NOTICE is hereby given that the FORTY SEVENTH ANNUAL GENERAL MEETING of the Members of **Acrow India Limited** will be held on Saturday, 29th September, 2007 at 11.00 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, 2007, 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. H.B. Doshi, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Dr. D.S. Kulkarni, who retires by rotation and being eligible, offers
- 5) To consider and if thought fit, to pass, with or without modification (s), as an Ordinary Resolution, the following :

“RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of Companies Act, 1956 M/s. V. Sankar Aiyar & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company in place of M/s. N.M. Raiji & Co., who have intimated to the Company their unwillingness to be re-appointed as Auditors of the Company, to hold office from the conclusion of the this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Board of Directors.”

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 July, 2007

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 and Share Transfer Books of the Company will remain closed from 22rd. September, 2007 to 29th September, 2007 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 29th September, 2007 or on the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on 21st September, 2007.
- d) Dividend for the Financial Year Ended 31st March 2000, which remains unclaimed will be due for transfer to the Investor Education and Protection Fund of the Central Government on 30th September 2007 pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956. Members are requested to seek issue of duplicate warrants from the company for the unclaimed dividend, if any. Shareholders are requested to note that no claims shall lie against the company or the said Fund after the transfer of unclaimed dividend to the fund.

Explanatory Statement :

As required by Section 173 of Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business under item 5 of the accompanying notice dated 30th July 2007.

ITEM NO. 5

M/s. N.M. Raiji & Co., Chartered Accountants, vide their letter dated 28th July, 2007 have expressed their unwillingness to be re-appointed as Auditors of the Company. It is therefore proposed to appoint M/s. V. Sankar Aiyar & Co., Chartered Accountants, as the statutory auditors in their place as stated in Resolution under the above item of the notice.

Although, Section 224(2)(b) of the Companies Act, 1956 dealing with such a case does not refer to any such notice being given in respect of appointment of new auditors, the matter might also be governed by the provisions of section 225 of the Act, in terms of which, Special Notice is required for a Resolution at the Annual General Meeting appointing as Auditor a person other than the retiring Auditor. Accordingly, such a special notice has been received by the Company from the members of their intention to move the Resolution appointing M/s. V. Sankar Aiyar & Co., Chartered Accountants, as the Statutory Auditors of the Company as in the accompanying notice.

M/s. V. Sankar Aiyar & Co., Chartered Accountants, have given a certificate of their eligibility and willingness to act as the Statutory Auditors of the Company if appointed by the members at the ensuing Annual General Meeting.

The Directors recommend the Resolution at item No. 5 for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.



47th Annual Report

DIRECTORS' REPORT

To,

The Members

Your Directors have pleasure in presenting their Forty-Seventh Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS

	Current Year 2006-07 (Rs. in lacs)	Previous Year 2005-06 (Rs. in lacs)
Sales and other Income	1099.21	795.54
Operating Profit	157.72	104.68
Less: Interest & Finance Charges	13.68	23.20
Depreciation	25.62	32.86
Profit before Tax	118.42	48.62
Less: Provision for Tax		
Current Tax	(87.00)	(1.00)
Deferred Tax Credit/(Debit)	44.56	(14.48)
Fringe Benefit Tax	(1.00)	(1.37)
Tax for Earlier Years	(0.31)	(4.20)
Profit After Tax	74.67	27.57
Add: Balance Brought forward from previous year	61.63	56.36
Balance available for appropriation	136.30	83.93
APPROPRIATIONS		
- Proposed Dividend	16.00	6.40
- Corporate Dividend Tax	2.72	0.90
Transfer to General Reserve	25.00	15.00
Balance Carried to Balance Sheet	92.58	61.63

DIVIDEND

The Board is pleased to recommend payment of Dividend @ 25% for the year ended 31st March, 2007. The dividend, if declared at AGM, will be paid to those shareholders whose names appear on the Register of Members of the Company on 29th September, 2007 or on the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on 21st September, 2007. The Company has transferred a sum of Rs.10,100/- being unclaimed Dividend of the financial year 1998-99 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.1038.36lacs (inclusive of excise duty and service tax) as compared to Rs.731.67 lacs during the previous year reflects an increase of about 42% over the previous year.

The Operating Profit for the year is Rs.157.72 lacs as against Operating Profit of Rs.104.68 lacs in the previous year and Profit Before Tax is Rs.118.42 lacs (Previous year profit before tax is Rs.48.62 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 fully executed.

The Net Sales/Income from operations upto 30th June, 2007 is Rs.208.85 lacs and the present balance orders on hand is Rs.157.32 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 stipulations 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. H.B. Doshi and Dr. D.S. Kulkarni would retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

AUDITORS

M/s. N.M. Raiji & Co., Chartered Accountants, Mumbai, the existing Auditors retire at the ensuing Annual General Meeting of your Company. They have however, intimated to the Company that they do not wish to seek re-appointment. M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai have indicated their availability and willingness to be appointed as Statutory Auditors of your Company. A resolution seeking your approval for the appointment of the said Auditors has been included in the notice convening the Annual General Meeting.

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: 30th July, 2007.

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.
- II. The average cost of energy consumed in relation to the total cost of production is negligible. Consequently its 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.4.09 lacs
Foreign Exchange used.	Rs.0.66 lacs

To,
The Members,
Acrow India Limited
P.O Ravalgaon - 423108
Taluka Malegaon, Dist Nasik,
Maharashtra

ANNEXURE 'B'

CIN
Nominal Capital

L13100MH1960PLC011601
Rs 1.00 CRORE

We have examined the registers, records, books and papers of M/s ACROW INDIA LIMITED (the company) as required to be maintained under the Companies Act, 1956 (the Act) and rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March 2007. 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, agents, we certify that in respect of the financial year ended on 31st March 2007:

1. The company has kept and maintained all the registers as stated in the Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all the 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 there under.
3. The company is a public limited company and has paid up capital of Rs 64,00,000/ (Rupees Sixty Four Lacs only) as on 31st March 2007.
4. The Board of Directors duly met 4 times on 13th April 2006, 29th July 2006, 31st October 2006 and 29th January 2007 and in respect of such meetings proper notices were given and proceedings were properly recorded and signed.
5. The company closed its Register of Members from 23rd Sept 2006 to 30th Sept 2006.
6. The Annual General Meeting for the financial year ended 31st March 2006 was held on 30th September 2006 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 under review.
8. The company has not advanced any loans to its Directors 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 contracts specified in that 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 the Central Govt.
12. The company has issued duplicate share certificates during the financial year after complying with the provisions laid down in the Act.
13. During the financial year ended 31st March 2007:
 - (i). The company has delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. The company has not made any allotment of securities during the financial year.
 - (ii). The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancies during the financial year ended March 31, 2007.

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 made any appointment of sole selling agents during the year.
17. The company was not required to obtain any approvals of the Central Govt. Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be 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 there under.
19. The company has not issued any shares/debentures/other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year.
22. There was no transaction 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 the Reserve Bank of India/any other authority in respect of deposits accepted including unsecured loans taken does not arise.
24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2007 is within the borrowing limits of the company.
25. The company has given loans and made investments in other bodies corporate in compliance with the provisions of section 372A and has made necessary entries in the register kept for that 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.
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 any of the provisions of its Articles of Association during the year under scrutiny.
31. There were no prosecutions initiated against or show cause notices received by the company and no fines or penalties or any other penalties or punishments were imposed on the company during the financial year for any of the offences under the Act.
32. The company has not received any money as security from its employees during the year under certification.
33. The company has deposited both employees' and employer's contribution to Provident Fund with the prescribed authority pursuant to section 418 of the Companies Act, 1956

Place : Mumbai
Date : 30/7/2007

Signature :
Name : BIPIN RAJE
C.P.No: 6147