

48th
Annual Report
2007-08

Report  junction.com

ACROW



ACROW INDIA LIMITED

48TH ANNUAL REPORT AND ACCOUNTS 2007-2008

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

V. SANKAR AIYAR & 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

Thursday 14th August 2008 at 9.30 a.m.
Krida Mandal Hall,
At & Post Ravalgaon, Taluka Malegaon,
Dist Nashik, Maharashtra, Pin Code 423 108

NOTICE

NOTICE is hereby given that the FORTY EIGHTH ANNUAL GENERAL MEETING of the Members of **Acrow India Limited** will be held on Thursday, 14th August, 2008 at 9.30 AM at Krida Mandal Hall, At & Post Ravalgaon, Taluka Malegaon, Dist. Nasik, 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 ended 31st March, 2008, 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. Vikram M. Bhat, who retires by rotation, and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Narayan Varma, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint Auditors and fix their remuneration.

Report  junction.com

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, 2008



48th Annual Report

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 Saturday 2nd August, 2008 to Thursday 14th August, 2008 both days inclusive.
- c) Dividend, if declared at the Annual General Meeting will be paid within the statutory period of 30 days to those Members, whose names appear in the Company's Register of Members as on 14th August, 2008 or on the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on 1st August, 2008.
- d) The members holding shares in physical form are requested to notify immediately details of any change/correction in their address, bank particulars etc. to the Company's Registrars and Share Transfer Agents. Members holding shares in demat account (electronic form) may notify any change to the Depository Participant.
- e) i) Pursuant to Section 205 A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. The shareholders who have not encashed their dividend warrants upto the said period are requested to claim the amount from the Registrar of Companies, Maharashtra.
- ii) The dividend for the financial years ended upto 31st March, 2000 which remained unclaimed for 7 years from the date of declaration has been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
- iii) Dividend for the financial year ended 31st March, 2001 which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on 29th September, 2008 pursuant to the provisions of Section 205 A & 205 C of the Companies Act, 1956. The shareholders are requested to apply for claim of unclaimed Dividend for the financial year ended 31.03.2001. and thereafter.
- iv) Shareholders are requested to note that no claim shall lie against the Company or the said Investor Education and Protection Fund after the transfer of unclaimed dividend to the fund.
- f) The shares of the Company are under compulsory demat list of SEBI and therefore trading in equity shares can be done only in demat form. In case you have not demated your shares, you may do so by opening an account with any Depository Participant and completing the dematerialisation procedure.

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting their Forty-eighth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS

| | Current Year 2007-08 (Rs. in lacs) | Previous Year 2006-07 (Rs. in lacs) |
|--|---|--|
| Sales and other Income | 910.22 | 1099.21 |
| Operating Profit | 321.19 | 157.72 |
| Less: Interest & Finance Charges | 3.22 | 13.68 |
| Depreciation | 31.81 | 25.62 |
| | ----- | ----- |
| Profit before Tax | 286.16 | 118.42 |
| Less: Provision for Tax | | |
| Current Tax | 100.00 | 87.00 |
| Deferred Tax (Credit)/ Debit | (1.61) | (44.56) |
| Fringe Benefit Tax | 1.30 | 1.00 |
| | ----- | ----- |
| Profit After Tax | 186.47 | 74.98 |
| Add: Balance Brought forward from previous year | 92.58 | 61.63 |
| | ----- | ----- |
| Balance available for appropriation | 279.05 | 136.61 |
| APPROPRIATIONS | | |
| - Income Tax for Earlier Years | 0.02 | 0.31 |
| - Proposed Dividend | 22.40 | 16.00 |
| - Corporate Dividend Tax | 3.81 | 2.72 |
| Transfer to General Reserve | 25.00 | 25.00 |
| | ----- | ----- |
| Balance Carried to Balance Sheet | 227.82 | 92.58 |
| | ----- | ----- |

DIVIDEND

The Board is pleased to recommend payment of Dividend @ 35 % for the year ended 31st March, 2008. The dividend, if declared at AGM, will be paid to those shareholders whose names appear on the Register of Members of the Company on 14th August, 2008 or on the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on 1st, August, 2008. The Company has transferred a sum of Rs.13,400/- being unclaimed Dividend of the financial year 1999-2000 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. The unclaimed Dividend for the year 2000-01 shall be due for payment to "Investor Education and Protection Fund" on 29th September, 2008.

PERFORMANCE

The Company's turnover at Rs. 831.75 lacs (inclusive of excise duty and service tax) as compared to Rs. 1038.36 lacs during the previous year reflects an decrease of about 20 % compared to the previous year.

The Operating Profit for the year is Rs. 321.19 lacs as against Operating Profit of Rs. 157.72 lacs in the previous year and Profit Before Tax is Rs. 286.16 lacs (Previous year profit before tax is Rs. 118.42 lacs).

CURRENT YEAR

The Net Sales/Income from operations upto 31st May, 2008 is Rs. 52.67 lacs and the present balance orders on hand is Rs. 30.77 lacs.

INCOME TAX

The Income Tax Assessments of the Company have been completed upto the Accounting Year 2004-05.

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 and on the basis of information and advice received, the Board of 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 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 the Directors 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 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. Vikram M. Bhat and Mr. Narayan Varma would retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

AUDITORS

M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai, the existing Auditors retire at the ensuing Annual General Meeting of your Company. M/s. V. Sankar Aiyar & Co, Chartered Accountants, Mumbai have indicated their availability and willingness to be re-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 June, 2008.

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. For the manufacture of Company's products mainly electrical power is used. 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 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 on regular basis for further improvement in quality of the products. Improving and maintaining the quality of certain key raw materials mainly steel, paints etc. is also given 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 taken for the development of new products, up gradation 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 imported : 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. 19.14 lacs |
| Foreign Exchange used. | Rs. 1.52 lacs |



48th Annual Report

ANNEXURE 'B'

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

CIN : L13100MH1960PLC011601
Nominal Capital : 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 2008. 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 2008:

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 2008.
4. The Board of Directors duly met 4 times on 27th April 2007, 30th July 2007, 26th October 2007 and 25th January 2008 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 22nd September 2007 to 29th September 2007.
6. The Annual General Meeting for the financial year ended 31st March 2007 was held on 29th September 2007 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 2008:
 - (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, 2008.



48th Annual Report

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 2008 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: June 30, 2008

Signature:
Name: BIPIN RAJE
C.PNo: 6147