

# **49th Annual Report 2008-09**

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# **ACROW**

# ACROW

## ACROW INDIA LIMITED

### 49<sup>TH</sup> ANNUAL REPORT AND (ACCOUTNS 2008-2009)

#### BOARD OF DIRECTORS

Shri Harshavardhan B. Doshi,  
(Chairman)  
Shri Narayan Varma,  
Shri M.B.Bhide  
Shri Vikram M.Bhat  
Dr. D.S. Kulkarni  
Shri Nihal H. Doshi  
(Since 18th August 2008)

#### REGISTERED OFFICE

Plot Nos. 2&3,  
Ravalgaon  
Tal. Malegaon  
Dist, Nasik (Maharashtra)  
Pin Code 423 108  
Tel. Nos.: (02554) 270274/270238  
Fax No.(02554)270284

#### AUDITORS

V.SANKER AIYAR & CO.  
Chartered Accountants

#### CORPORATE OFFICE

Show Room No.:10 Arcade,  
Ground Floor, World Trade Center  
Cuffe Parade, Mumbai-400 005  
Tel. (022)22184291/22186479,  
Fax.: (022) 22184294

#### BANKERS

BANK OF BARODA

#### FACTORY

Ravalgaon - 423 108, Taluka Malegaon,  
Dist. Nasik, Maharashtra.  
Tel.: (02554) 270274/270238  
Fax.: (02554) 270284.

#### REGISTRAR & SHARE TRANSFER AGENT

FREEDOM REGISTRY LIMITED  
(Amtrac Management Services Limited)  
Transfer Agent, Plot No.101/102, 19th street.  
MIDC Industrial Area, Satpur Nasik-422001  
Tel.: (0253) 2354032, fax no. (0253) 2351126

**ANNUAL GENERAL MEETING:** at 10:30 A.M. on Tuesday, 29th September 2009 at Krida Mandal Hall, Ravalgaon - 423 108, Taluka Malegaon, Dist. Nasik, Maharashtra.

The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued as a measure of economy. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting

**NOTICE**

NOTICE IS HEREBY GIVEN that the **Forty Ninth** ANNUAL GENERAL MEETING of the Company will be held on Tuesday, 29th September, 2009 at 10:30 A.M. at Krida Mandal Hall, Ravalgaon – 423 108, Taluka Malegaon, Dist. Nasik, Maharashtra, to transact the following business :

**ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2009, the Profit & Loss Account for the year ended on that date, together with the reports of the Board of Directors and Auditors thereon.
- 2) To declare dividend
- 3) To appoint a Director in place of Shri M.B.Bhide who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint Auditors and to fix their remuneration.

**Special Business**

- 5) To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provision of section 257 and all other applicable provisions, if any of the companies Act 1956 Mr. Nihal H. Doshi. who was appointed as an additional director of the company and who is under section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and being eligible, offers himself for appointment and in respect of whom the company has received notice in writing from one of the members pursuant to the provisions of section 257 of the companies Act, 1956 signifying his intention to propose the candidature of Mr. Nihal H. Doshi for the Director, be and is hereby appointed as a Director of the company, liable to retire by rotation”

By Order of the Board,  
**H. B. DOSHI**  
 Chairman

Dated : 23rd June 2009

**NOTES:**

1. A MEMBER 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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September 2009 to 29th September 2009 both days inclusive.
3. 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 Registrar and Share Transfer Agents. Members holding shares in demat account (electronic form) may notify any change to the Depository Participant.
4.
  - i) The dividend for the financial years ended 31st March, 1995, 31st March, 1996, 30th September, 1997, 30th September, 1998, 30th September, 1999 and 30th September, 2000, 30th September, 2001 which remained unclaimed for 7 years from the date of declaration have been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
  - ii) Dividend for the financial year ended 30th September, 2002 which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on 25th, January, 2010 pursuant to the provisions of Section 205 A & 205 of the Companies Act, 1956. The shareholders are requested to apply for claim of unclaimed Dividend for the financial year ended 30th September 2002 and thereafter, before the aforesaid date.
  - iii) 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.
5. 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.
6. At the ensuing Annual General Meeting, director Shri M.B.Bhide retire, by rotation and being eligible offers himself for re-appointment. The information and details pertaining to the director to be provided vide Clause 49 of the Listing Agreement with the Stock Exchange are given in the notes.

EXPLANATORY STATEMENT : ( Pursuant to section 173(2) of the Companies Act 1956 ).

The following explanatory statement sets out all material facts relating to the Special Business under item No 5 of the accompanying notice dated 26th June 2009

(1) Item No 5 of the Notice.

The Board of Directors, at their meeting held on 18th August 2008, appointed Mr. Nihal H. Doshi, as an additional Director.

Pursuant to section 260 of the Companies Act 1956, read with Articles of Association of the company, Mr.Nihal H. Doshi will hold office only upto the date of the forthcoming Annual General Meeting. The company has received a notice in writing from a member under the provisions of section 257 of the Companies Act 1956, proposing the candidature of Mr. Nihal H. Doshi for the office of Director along with a deposits of Rs.500/-

Mr. Nihal H. Doshi is MBA from Wharton School of Business, USA. He has wide experiance in finance. He has worked with reputed firms like Credit Swiss, USA and Private Equity company Quadrangle USA. Nihal Doshi is son of Mr. H. B. Doshi.

The Board of Directors recommend passing of the above resolution regarding appointment of Mr. Nihal H. Doshi.

Except Mr. H. B. Doshi, Chairman and Managing Director of the company and Mr. Nihal H. Doshi, none of the Directors is in any way concerned or interested in this resolution.

On behalf of the Board of Directors

**H. B. DOSHI**  
CHAIRMAN

Registered Office :  
Ravalgaon – 423 108  
Taluka Malegaon, Dist. Nasik, Maharashtra.  
Dated : 23rd June 2009

**DIRECTORS' REPORT**

To,

The Members

Your Directors have pleasure in presenting their Forty-Ninth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2009

<b>FINANCIAL RESULTS</b>	(Rs. in Lacs) Current Year <b>2008-09</b>	(Rs. in Lacs) Previous Year <b>2007-08</b>
<b>Sales and other Income</b>	<b>367.82</b>	910.22
<b>Operating Profit</b>	<b>47.71</b>	321.19
Less: Interest & Finance Charges	<b>2.10</b>	3.22
Depreciation	<b>31.83</b>	<b>31.81</b>
<b>Profit before Tax</b>	<b>13.78</b>	286.16
Less: Provision for Tax		
Current Tax	<b>9.00</b>	100.00
Deferred Tax Credit/(Debit)	<b>(6.28)</b>	( 1.61)
Fringe Benefit Tax	<b>0.70</b>	1.30
Tax for Earlier Years	<b>15.09</b>	<b>0.02</b>
<b>Profit After Tax</b>	<b>25.45</b>	186.45
Add: Balance Brought forward from previous year	<b>227.82</b>	92.58
<b>Balance available for appropriation</b>	<b>253.27</b>	279.03
<b>APPROPRIATIONS</b>		
- Proposed Dividend	<b>22.40</b>	22.40
- Corporate Dividend Tax	<b>3.81</b>	<b>3.81</b>
Transfer to General Reserve	<b>2.55</b>	25.00
<b>Balance Carried to Balance Sheet</b>	<b>224.51</b>	<b>227.82</b>

**DIVIDEND**

The Board is pleased to recommend Dividend @ 35 % for the year ended 31st March, 2009. 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, 2009 or on the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on 15th September 2009. The Company has transferred a sum of Rs.23,400 being unclaimed Dividend of the financial year 2000-2001 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 2001-02 shall be due for payment to "Investor Education and Protection Fund" on 30th November 2009.

**PERFORMANCE**

The Company achieved a turnover at Rs. 308.94 lacs (inclusive of excise duty and service tax) as compared to Rs. 831.75 lacs during the previous year. This reflects a decrease of about 63% compared to the previous year. The Operating Profit for the year is Rs.47.71 lacs as against Operating Profit of Rs.321.19 lacs in the previous year and Profit Before Tax is Rs.13.78 lacs (Previous year Rs. 286.16 lacs).

**CURRENT YEAR**

Current year's operations are quite encouraging. There is a better response to the company's products from the sugar industry.

**INCOME TAX**

The Income Tax Assessments of the Company have been completed upto the Accounting Year 2005-06.

**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 that

- a) 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) the accounting policies have been selected in consultation with statutory auditors and have been consistently applied and the judgments and estimates thereof 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) 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) 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 hereunder. 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. M.B. Bhide would retire by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment.

**AUDITORS**

The Auditors M/s. V. Sankar Aiyar & Co., Chartered Accountants, retire at the conclusion of the ensuing 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, Bankers. Suppliers and Customers.

For and on behalf of the Board of Directors

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**Harshavardhan B. Doshi**  
Chairman

**Registered Office:**

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

Date: 23<sup>rd</sup> June, 2009



**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. are 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 neighboring countries, Middle East and African countries.
- ii) **Total Foreign Exchange earned and used:**

Foreign Exchange earned (Export Sales)	Rs. 7.88 lacs
Foreign Exchange outflow	Rs Nil

To,  
 The Members,  
 Acrow India Limited  
 P.O Ravalgaon - 423108  
 Taluka – Malegaon, Dist Nasik,  
 Maharashtra  
 CIN L13100MH1960PLC011601  
 Nominal Capital Rs 1.00 CRORE

**ANNEXURE 'B'**

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 2009. 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 2009:

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 2009.
4. The Board of Directors duly met 6 times on 21<sup>st</sup> April 2008, 30<sup>th</sup> June 2008, 28<sup>th</sup> July 2008, 18<sup>th</sup> August 2008, 31<sup>st</sup> October 2008 and 29<sup>th</sup> January 2009 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 Saturday, 02<sup>nd</sup> August 2008 to Thursday 14<sup>th</sup> August 2008.
6. The Annual General Meeting for the financial year ended 31st March 2008 was held on Thursday, 14<sup>th</sup> August 2008 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. One Extra Ordinary General Meeting was held during the financial year 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.
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 during the year. However there is an outstanding balances of loans granted to one company aggregated to Rs. 1.00 crores and the maximum amount outstanding during the year amounted to Rs 2.30 crores.
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 2009:
  - (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.