

**50th
Annual Report
2009-2010**

ACROW

ACROW

ACROW INDIA LIMITED

50TH ANNUAL REPORT AND (ACCOUTNS 2009-2010)

BOARD OF DIRECTORS

Shri Harshavardhan B. Doshi,
(Chairman)
Shri Narayan Varma,
Shri M. B. Bhide
Shri Vikram Bhat
Dr. D. S. Kulkarni (Upto 30.09.2009)
Shri Nihal H. Doshi
Shri Ashok S. Ashtekar (w.e.f. 01.10.2009)

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

M/s. V. SANKAR 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.

Plot No.101/102, 19th Street.
MIDC Industrial Area, Satpur Nasik-422001
Tel.: (0253) 2354032, Fax No. (0253) 2351126

ANNUAL GENERAL MEETING: at 09:30 A.M. on Thursday, 30th September 2010 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 FIFTIETH ANNUAL GENERAL MEETING of the Company will be held as scheduled below.

DATE : Thursday, 30th September 2010
TIME : 09:30 A.M.
PLACE : Krida Mandal Hall, Ravalgaon – 423 108,
Taluka Malegaon, Dist. Nasik, Maharashtra.

to transact the following business :

ORDINARY BUSINESS:

- 1 To consider and adopt the Directors' Report, the Auditors' Report and the Balance Sheet and Profit and Loss Account for the financial year ended 31st March 2010 together with the Schedules and Notes attached thereto, along with the Directors' Report and the Auditor's Report.
- 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. Vikram Bhat who retires by rotation and, being eligible, offers himself for re-appointment.
- 5 To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT in accordance with the provisions of section 257 & all other applicable provisions, if any, of the Companies Act, 1956, Mr. Ashok Ashtekar who was appointed by the Board of Directors as an additional Director of the company and who holds office up to the ensuing Annual General Meeting under section 260 of the Companies Act 1956 & in respect of whom the Company has received a notice in writing proposing his candidature or the office of Director, be & is hereby appointed as Director of the Company, liable to retire by rotation.

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

Dated: 27th July 2010.

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 2010 to 30th September 2010 both days inclusively
- 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 Registrars 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, 1996, 30th September, 1997, 30th September, 1998, 30th September, 1999 and 30th September, 2000, 30th September, 2001 and

30th September 2002 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, 2003 which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on 30th, September, 2010 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 30th September 2003 and thereafter.
 - 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 dematerialization procedure.
 - 6 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company.

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 mentioned in the accompanying Notice.

The Board of Directors of the Company (Board), appointed Shri Ashok Ashtekar as an additional director with effect from 1st October 2009 pursuant to provisions of Section 260 of the Companies Act, 1956 read with Articles of Association of the Company by Circular Resolution.

In terms of provisions of section 260 of the Act, Shri Ashok Ashtekar would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with deposit of Rs 500/- from proposing the candidature of Mr Ashok Ashtekar to the office of director under the provisions of section 257 of the Act.

Shri Ashok Ashtekar is not disqualified from being appointed as Director in terms of section 274(1)(g) of the Act. The Company has received the requisite Form DD-A from Shri Ashok Ashtekar in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules 2003 confirming his eligibility for such appointment.

On behalf of the Board of Directors
H. B. DOSHI
CHAIRMAN

Registered Office :

Ravalgaon – 423 108

Taluka Malegaon, Dist. Nasik, Maharashtra.

Dated : 27th July 2010.

DIRECTORS' REPORT

To.

The Members

Your Directors have pleasure in presenting their Fiftieth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS	(Rs. in Lacs)	(Rs. in Lacs)
	Current Year 2009-10	Previous Year 2008-09
Sales and Other Income	337.93	367.82
Operating Profit	59.30	47.71
Less: Interest & Finance Charges	1.55	2.10
Depreciation	32.29	31.83
Profit Before Tax	25.46	13.78
Less: Provision for Tax		
Current Tax	12.25	9.00
Deferred Tax Credit/(Debit)	(18.61)	(6.28)
Fringe Benefit Tax	—	0.70
Tax for Earlier Years	0.94	15.09
Profit After Tax	32.76	25.45
Add: Balance Brought forward from previous year	224.51	227.82
Balance available for appropriation	257.27	253.27
APPROPRIATIONS		
- Proposed Dividend	32.00	22.40
- Corporate Dividend Tax	5.31	3.81
- Transfer to General Reserve	3.30	2.55
Balance Carried to Balance Sheet	216.66	224.51

DIVIDEND

Your Directors have recommended Dividend of Rs. 5/- for each equity shares on 6,40,000/- equity shares of Rs. 10/- each for the Financial year ended 31st March, 2010. The dividend will be paid to those members whose name appear in the Register of Members as on 15th September, 2010, in respect of Shares held in dematerialised form, it will be paid to members whose names are furnished by depositories.

The Company has transferred a sum of Rs. 13.357/- being unclaimed Dividend of the financial year 2001-2002 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 2002-03 shall be due for payment to "Investor Education and Protection Fund" on 30th November 2010.

PERFORMANCE

The Company's turnover is at Rs. 284.44 lacs (inclusive of excise duty and service tax) as compared to Rs. 308.94 lacs during the previous year reflects a decrease of about 8% compared to the previous year.

The Operating Profit for the year is Rs.59.30 lacs as against Operating Profit of Rs.47.71 lacs in the previous year and Profit Before Tax is Rs.25.46 lacs (Previous year Rs. 13.78 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 as under, 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 are consistently applied and reasonable and prudent judgment 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) 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 terms of Article of the Association of the Company. Mr. Narayan Varma and Mr. Vikram Bhat retire by rotation at the AGM and being eligible, offer themselves reappointment.

In accordance with the provisions of the Companies Act, 1956 and Article 152 of the Company's Article of Association. Mr. Ashok S. Ashtekar who was appointed as an additional director by the Circular Resolution on 1st October 2009, holds office only upto the date of the ensuing 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. They have however, intimated to the Company that they do 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

Pin Code 423 108

Date: 27th July 2010

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

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.

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 2010. 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 2010:

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 2010.
4. The Board of Directors duly met 5 times on 21st April 2009, 23rd June 2009, 29th July 2009, 29th October 2009 and 29th January 2010 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 Tuesday, 15th September 2009 to Tuesday, 29th September 2009.
6. The Annual General Meeting for the financial year ended 31st March 2009 was held on Tuesday, 29th September 2009 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 ended 31st March 2010.
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 already granted to one company which aggregates to Rs. 1.00 crores and the maximum amount outstanding during the year amounts to Rs 1.00 crore.
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 2010:
 - (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. Mr Ashok Ashtekar was appointed as an additional director during the year. There was no appointment of Alternate Directors and Directors to fill casual vacancies during the financial year ended March 31, 2010.
 15. The appointment of Managing Director/Whole time Director/Manager has been made in compliance with the provisions of the Act.
 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 2010 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: July 27, 2010

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

ANNEXURE A

- (1) Register of Members u/s 150 of the Act
- (2) Register of Directors shareholding u/s 307 of the Companies Act, 1956
- (3) Register of Directors, Managing Director, Manager and Secretary u/s 303 of the Companies Act, 1956
- (4) Books of accounts as required under the Companies Act
- (5) Register of Particulars of Contracts in which Directors are interested u/s 301
- (6) Register of Directors Attendance
- (7) Minutes of the General Meetings and Board Meetings u/s 193 of the Act
- (8) Register of charges u/s 143 of the Act

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Maharashtra, Mumbai during the financial year ending on 31st March 2010

Sr No	Form No/Return	Filed Under Section	Purpose	Date of Filing	Whether filed in time	If delay in Filing, whether with requisite late filing fees
1.	Annual return	159	Annual Return for the financial year ended 31st March 2009	10th November 2009	Yes	NA
2.	Balance Sheet	210	For the Year Ended 31st March 2009	16th October 2009	Yes	NA
3.	Compliance certificate	383A	Compliance certificate for the year ended 31.03.2009	6th October, 2009	Yes	N.A.
4.	Transfer of Unpaid Dividend	205C	Transfer of unpaid dividend of the year ended 31st March 2002	08th December 2009	Yes	NA
5.	Form No. 32		Appointment of Additional Director and resignation of Director	17th November 2009	No	Yes

* Arrangement is not in chronological order.

AUDITOR'S REPORT

To,
The Shareholders
Acrow India Limited

1. We have audited the attached Balance Sheet of Acrow India Limited as at March 31, 2010 and the Profit & Loss Account and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 on the basis of the information and explanation given to us, and on the basis of such checks as we considered appropriate, we give in the Annexure, hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above we report that:
 - (a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our Audit.
 - (b) In our opinion, proper Books of Account as required by Law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet and Profit & Loss Account referred in this report are in agreement with the Books of Account.
 - (d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation received from the Directors of the Company as at March 31, 2010 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as Director in terms of clause {g} of sub section {1} of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) In so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn No. 109208W

Arvind Mohan
Partner
M.No.124082

Place Mumbai
Date: July 27, 2010

**ANNEXURE TO AUDITORS' REPORT OF
ACROW INDIA LIMITED
(Referred to in paragraph 3 of report of even date)**

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management at the year end, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of inventory:
 - a. The stock of finished goods and raw material has been physically verified during the year by the Management. The Company has a perpetual inventory system in respect of stores and spare parts. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
3. In respect of loans, secured or unsecured, granted/taken to/ from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - a. The company has not granted any loans during the year. At the year end, the outstanding balance of loans already given to one company aggregate to Rs. 100 Lacs and the maximum amount outstanding during the year amounted to Rs 100 Lacs.
 - b. The rate of interest and other terms and conditions of such loan is, in our opinion, prima facie not prejudicial to the interest of the company.
 - c. The recovery and payment of principal amounts and interest have been regular as stipulated.
 - d. There are no overdue amounts of over Rs. 1 lac remaining outstanding as at the year end.
 - e. The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and also for the sale of goods and services. In our opinion there is no continuing failure to correct major weaknesses in internal control.

5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of aforesaid contracts or arrangements in excess of Rs.5 lacs, have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time .
6. The Company has not accepted any deposits from the public. Accordingly Clause 4(vi) of the Order does not apply.
7. In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
8. Central government has not prescribed any maintenance of cost records. Accordingly Clause 4(viii) of the Order does not apply.
9. In respect of the statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty, cess and other material statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable.
 - b. According to the information and explanations given to us, the following disputed statutory dues on account of Wealth Tax, Employee State Insurance Fund and Income Tax have not been deposited with the appropriate authorities:

<i>Nature of dues</i>	<i>Amount in lacs</i>	<i>Period to which the amount relates</i>	<i>Forum where dispute is pending</i>
Wealth Tax	15.43	1999-2000	Commissioner of Wealth Tax (Appeals), Mumbai
Employee State Insurance Fund	5.08	1986-1988	Divisional Industrial Court, Mumbai
Income Tax	2.67	2006-2007	Commissioner of Income Tax (Appeals)

10. The Company has does not have accumulated losses and has not incurred any cash loss during the year and during the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks and financial institutions.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or a Nidhi / mutual benefit fund / society. Accordingly, clause 4(xiii) of the Order does not apply.
14. The Company has not traded in securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order does not apply.
15. In our opinion and according to information and explanations provided to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. No term loans have been taken during the year by the company. Accordingly, clause 4(xvi) of the Order does not apply.
17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the company, no funds raised on short term basis have prima facie, been used during the year for making long term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order does not apply.
20. The Company has not raised any money by way of public issue during the year. Accordingly clause 4(xx) of the Order does not apply.
21. According to the information and explanations given to us, and based on audit procedures performed and representations obtained from the management, we report that no material fraud on or by the Company, has been noticed or reported during the year under audit.

Place Mumbai
Date: July 27, 2010

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm Regn No. 109208W

Arvind Mohan
Partner
M.No.124082

ACROW INDIA LIMITED
BALANCE SHEET AS AT 31ST MARCH, 20210

		AS AT 31.03.2010 Rs. in lacs	AS AT 31.03.2009 Rs. in lacs
SOURCES OF FUNDS	Schedule		
SHAREHOLDERS' FUNDS			
a. Capital	1	64.00	64.00
b. Reserves & Surplus	2	885.30	889.85
		949.30	953.85
LOAN FUNDS			
a. Secured Loans	3	—	20.48
b. Unsecured Loans	4	146.92	146.92
		146.92	167.40
DEFERRED TAX LIABILITY (NET)		130.43	149.03
	TOTAL	1,226.65	1,270.28
APPLICATION OF FUNDS			
FIXED ASSETS	5		
a. Gross Block		907.46	884.77
b. Less : Depreciation		391.58	375.59
		515.88	509.18
Capital Work-in-progress		—	46.93
		515.88	556.11
INVESTMENTS	6	71.40	119.82
CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories	7	135.69	169.58
b. Sundry Debtors	8	5.36	37.88
c. Cash & Bank Balances	9	431.76	338.63
d. Loans & Advances	10	179.28	181.99
		752.09	728.08
<i>Less: CURRENT LIABILITIES & PROVISIONS</i>			
a. Liabilities	11	75.10	105.89
b. Provisions	12	37.62	27.84
NET CURRENT ASSETS		639.37	594.35
	TOTAL	1,226.65	1,270.28
Notes forming part of the Accounts	21		

As per our report of even date
For V. SANKAR AIYAR & Co.
Chartered Accountants
(Firm Registration No. 109208W)

Arvind Mohan
Partner

(Membership No.124082)
Mumbai 27th July 2010

for and on behalf of the Board of Directors

Harshavardhan B.Doshi
Chairman

Narayan Varma
Director

Mumbai 27th July 2010

ACROW INDIA LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Year Ended 31.03.2010 Rs. in lacs	Year Ended 31.03.2009 Rs. in lacs
INCOME			
Sales and Recoveries	13	284.44	308.94
Less : Excise Duty		21.26	33.83
	TOTAL	263.18	275.11
Profit on Sale of Assets		3.86	—
Other Income	14	49.63	58.88
Increase/(Decrease) in stocks	15	(0.47)	(21.92)
	TOTAL	316.20	312.07
EXPENDITURE			
Cost of Materials	16	111.01	97.03
Manufacturing & Maintenance Expenses	17	54.71	83.22
Employees' Remuneration and Benefits	18	38.41	39.58
Selling, Administrative and Other Expenses	19	52.77	44.53
Interest & Finance Charges	20	1.55	2.10
Depreciation		32.29	31.83
	TOTAL	290.74	298.29
		25.46	13.78
PROFIT BEFORE TAX			
Provision for tax :			
Current tax		12.25	9.00
Fringe Benefit Tax		—	0.70
Deferred Tax		(18.61)	(6.28)
(Excess) or Short Provision of Income Tax for Earlier Years		(0.94)	(15.09)
		32.76	25.45
PROFIT AFTER TAX			
Add. Balance brought forward from previous year		224.51	227.82
Amount available for appropriation		257.27	253.27
APPROPRIATIONS			
Transferred to General Reserve		3.30	2.55
Proposed Dividend		32.00	22.40
Dividend Distribution Tax		5.31	3.81
Balance Carried to Balance Sheet		216.66	224.51
Earnings per Share (Basic & Diluted)		5.12	3.98
Face value per Share -Rs.10/-			

As per our report of even date
For **V. SANKAR AIYAR & Co.**

Chartered Accountants
(Firm Registration No. 109208W)

Arvind Mohan
Partner

(Membership No.124082)
Mumbai 27th July 2010

for and on behalf of the Board of Directors

Harshavardhan B.Doshi
Chairman

Narayan Varma
Director

Mumbai 27th July 2010

ACROW INDIA LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 1

SHARE CAPITAL

Authorised

10,00,000 Equity Shares of Rs.10/- each

(Previous year 10,00,000 Equity Shares of Rs. 10/- each)

Issued and Subscribed

6,40,000 Equity Shares of Rs. 10/- each fully paid up

(Previous year 6,40,000 Equity Shares of Rs. 10/- each fully paid up)

Of the above :

- (a) 42,600 (Previous year 42,600) Equity Shares of Rs.10/- each have been issued as fully paid pursuant to a contract without payment being received in cash
- (b) 5,22,700 (Previous year 5,22,700) Equity Shares of Rs.10/- each have been issued as fully paid Bonus Shares by capitalisation of Revenue Reserves

TOTAL

SCHEDULE 2

RESERVES AND SURPLUS

Capital Reserve

General Reserve : As per last Balance Sheet

Add: Transferred from Profit and Loss Account

Profit & Loss Account

TOTAL

	AS AT 31.03.2010 Rs. in lacs	AS AT 31.03.2009 Rs. in lacs
	100.00	100.00
	64.00	64.00
TOTAL	64.00	64.00
	12.79	12.79
	652.55	650.00
	3.30	2.55
	655.85	652.55
	216.66	224.51
TOTAL	885.30	889.85

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 3

SECURED LOANS

1. From Financial Institutions
Car Loan : Secured by Hypothecation of Motor Car.
(Due within one year Rs. NIL ; Previous year Rs. 0.67 Lacs.)
2. From Banks
Cash Credit :
(Secured by Hypothecation of Stocks of Raw Materials,
Stock in Process, Finished Goods, Materials-in-Transit,
Stores & Spares and Book Debts)

TOTAL

SCHEDULE 4

UNSECURED LOANS

1. Deferred Sales Tax Loan
(Refer Note 3 of Schedule 21)

TOTAL

	ASAT 31.03.2010 Rs. in lacs	ASAT 31.03.2009 Rs. in lacs
	—	0.67
	—	19.81
TOTAL	—	20.48
	146.92	146.92
TOTAL	146.92	146.92

SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE 5
FIXED ASSETS AS AT 31ST MARCH, 2010

(Rs. in lacs)

SR. No.	PARTICULARS	GROSS BLOCK (ST COST)			DEPRECIATION			NET BLOCK			
		AS AT 01.04.2009	ADDI TIONS	DEDUC TIONS	AS AT 31.03.2010	AS AT 01.04.2009	FOR THE YEAR	DEDUC TIONS	TOTAL DEPRE- CIATION UP TO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
1.	LEASEHOLD-LAND*	5.31			5.31	1.68	0.06		1.74	3.57	3.63
2.	BUILDINGS	497.58	52.26		549.84	132.56	12.41		144.97	404.87	365.02
3.	PLANT & MACHINERY	253.35		22.06	231.29	155.94	12.51	5.24	163.21	68.08	97.41
4.	ELECTRICAL INSTALLATIONS	22.09	0.48		22.57	15.25	0.66		15.91	6.66	6.84
5.	PATENTS	0.36			0.36	0.36	-		0.36	-	-
6.	FURNITURE, FIXTURES & OFFICE EQUIPMENT	67.38	4.69		72.07	52.57	3.56		56.13	15.94	14.81
7.	VEHICLES	38.70		12.66	26.04	17.23	3.09	11.05	9.27	16.77	21.47
	TOTAL	884.77	57.43	34.72	907.46	375.59	32.29	16.29	391.58	515.88	509.18
	Capital Work-in Progress	46.93		46.93	-	-	-	-	-	-	46.93
	GRAND TOTAL	931.70	57.43	81.65	907.46	375.59	32.29	16.29	391.58	515.88	556.11
	PREVIOUS YEAR	896.03	35.67		931.70	343.76	31.83		375.59	556.11	

* Leasehold land situated at Aurangabad has been acquired on a 95 year lease from MIDC. The premium paid of Rs. 5.31 lacs is being amortised over the period of the lease. Accordingly, an amount of Rs. 0.06 lacs (previous year - Rs. 0.06 lacs) has been charged to the profit and loss account of the year.

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 6

INVESTMENTS (Other than Trade Investments)

A. Long Term :

QUOTED:

Housing Development Finance Corporation Limited

100 Equity Shares of Rs.10/- each, fully paid,
(including 50 Bonus Shares of Rs. 10/- each).

HDFC Bank Limited.

100 Equity Shares of Rs.10/- each, fully paid,

IDBI Bank Ltd.

28,480 Equity Shares of Rs.10/- each, fully paid,
(including 10,680 Bonus Shares of Rs. 10/- each).

Dena Bank Ltd.

14,400 Equity Shares of Rs.10/- each, fully paid,

Aggregate Market Value of Quoted Investments

UNQUOTED:

MPR Refractories Ltd.

1,00,000 Equity Shares of Rs.10/- each, fully paid,
(including 50,000 Bonus Shares of Rs. 10/- each).

Rural Electrification Corporation Ltd.

500 Bonds of Rs. 10,000/- each, fully paid up, issued by

B. Current:

ICICI Prudential Equity and Derivative Fund 329597 Units
(Previous year 3,29,597 Units)

Total Investments

Less : Diminution in value of Investments

TOTAL

AS AT 31.03.2010 Rs. in lacs	AS AT 31.03.2009 Rs. in lacs
0.01	0.01
0.01	0.01
23.14	23.14
4.32	4.32
27.48	27.48
27.48	19.98
25.00	25.00
-	50.00
25.00	75.00
36.01	34.36
88.49	136.84
(17.09)	(17.02)
71.40	119.82

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 7

INVENTORIES

(As valued and certified by the Management)

Stores and Spares

Raw Materials

Finished Goods (including purchased accessories)

Work-in-Progress

TOTAL

SCHEDULE 8

SUNDRY DEBTORS: (Unsecured and Considered Good)

Exceeding six months

Others

TOTAL

SCHEDULE 9

CASH AND BANK BALANCES

Cash on hand

With Scheduled Banks:

- In Current Account

- In Fixed Deposit Account

TOTAL

	AS AT 31.03.2010 Rs. in lacs	AS AT 31.03.2009 Rs. in lacs
	12.91	13.54
	107.96	140.75
	—	1.53
	14.82	13.76
TOTAL	135.69	169.58
	1.05	9.10
	4.31	28.78
TOTAL	5.36	37.88
	0.20	0.22
	106.46	13.41
	325.10	325.00
TOTAL	431.76	338.63

SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2010 Rs. in lacs	AS AT 31.03.2009 Rs. in lacs
SCHEDULE 10		
LOANS AND ADVANCES :		
(Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received	17.60	19.14
Interest Receivable	4.44	—
Advance Income Tax (net of provisions)	34.27	36.34
Deposit with IDBI	—	0.10
Balance with Central Excise Authorities	0.47	2.61
Inter-Corporate Deposits	100.00	100.00
Other Deposits	22.50	23.80
TOTAL	179.28	181.99
SCHEDULE 11		
CURRENT LIABILITIES		
Sundry Creditors	30.14	49.80
Advances Received	27.15	32.99
Other Liabilities	15.54	21.33
Unclaimed Dividends (Not due for credit to "Investor Education and Protection Fund" as at March 31, 2010)	2.22	1.72
Deposits	0.05	0.05
TOTAL	75.10	105.89
SCHEDULE 12		
PROVISIONS		
Proposed Dividend	32.00	22.40
Dividend Distribution Tax	5.31	3.81
Provision for Leave Encashment	0.17	0.37
Provision for Gratuity	0.14	1.26
TOTAL	37.62	27.84

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 13

Sales
Erection and other recoveries

TOTAL

SCHEDULE 14

OTHER INCOME

Dividend Income
Interest Income
(Tax Deducted at Source : Rs. 8.80 lacs; Previous Year- Rs. 11.13 lacs)
Lease Rentals
Miscellaneous Income
Sundry Credit Balances / Excess Provisions Written Back

TOTAL

SCHEDULE 15

INCREASE / (DECREASE) IN STOCK

Closing Stock : * Finished Goods
Work-in-Progress

Less:
a) Opening Stock : * Finished Goods
Work-in-Progress

TOTAL

	AS AT 31.03.2010 Rs. in lacs	AS AT 31.03.2009 Rs. in lacs
	274.64	291.90
	9.80	17.04
TOTAL	284.44	308.94
	2.57	4.10
	37.55	45.58
	1.80	7.20
	4.70	1.21
	3.01	0.79
TOTAL	49.63	58.88
	—	1.53
	14.82	13.76
	14.82	15.29
	1.53	1.53
	13.76	35.68
	15.29	37.21
TOTAL	(0.47)	(21.92)

* -including purchased accessories

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 16

COST OF MATERIALS

Raw Materials Consumed
Opening Stock
Add : Purchases

Less : Closing Stock

Stores and Spares consumed

TOTAL

SCHEDULE 17

MANUFACTURING AND MAINTENANCE EXPENSES

Power and Fuel

Repairs & Maintenance

- Building

- Others

Contractual Manufacturing Expenses

TOTAL

SCHEDULE 18

EMPLOYEES' REMUNERATION AND BENEFITS

Salaries, Wages and Bonus

Contribution to Provident and other Funds

Employee Welfare Expenses

TOTAL

	ASAT 31.03.2010 Rs. in lacs	ASAT 31.03.2009 Rs. in lacs
	140.75	51.56
	63.00	162.33
	203.75	213.89
	107.96	140.75
	95.79	73.14
	15.22	23.89
	111.01	97.03
	4.61	4.25
	—	0.67
	3.22	2.66
	46.88	75.64
	54.71	83.22
	34.36	33.11
	3.31	5.90
	0.74	0.57
	38.41	39.58

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 19

ADMINISTRATIVE, SELLING AND OTHER EXPENSES

	AS AT 31.03.2010 Rs. in lacs	AS AT 31.03.2009 Rs. in lacs
Rent	6.42	7.77
Rates and Taxes	5.56	1.61
Insurance	0.79	1.30
Printing and Stationery	0.50	1.08
Postage and Telephones	1.70	1.73
Travelling and Conveyance	3.34	2.05
Legal and Professional Charges	7.11	3.60
Advertisement, Publicity and Sales Promotion	0.64	0.93
Packing and Forwarding	0.01	0.43
Society Maintenance Expenses	4.11	3.32
Security Charges	6.66	6.84
General Charges	1.25	5.14
Miscellaneous Expenses	4.09	5.61
Bad Debts Written Off	8.07	—
Sundry Balances Written Off	0.03	0.06
Directors' Fees	0.26	0.27
Internal Audit Fees	—	0.28
Auditor's Remuneration:		
- Statutory Audit Fees	1.10	1.10
- Tax Audit Fees	0.50	0.55
- Other Matters	0.54	0.81
- Out of pocket	—	0.05
TOTAL	52.77	44.53

SCHEDULE 20

INTEREST & FINANCE CHARGES

Interest		
- On Fixed Loans	0.03	0.24
- Other Interest	0.21	0.73
Bank Charges and Guarantee Commission	1.31	1.13
TOTAL	1.55	2.10

SCHEDULE: 21

NOTES FORMING PART OF THE ACCOUNTS

1. Significant Accounting Policies:

a) Basis of Accounting:

The financial statements have been prepared and presented under historical cost convention, on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, and relevant provisions of the Companies Act, 1956

b) Use of Estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumption used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Differences between actual results and estimates are recognized in the period in which they materialize.

c) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date of commissioning.

d) Depreciation:

- i. Assets acquired after 30th June' 1978 are depreciated on the straight-line basis at the rates prescribed under Schedule XIV of the Companies Act, 1956. Certain items of Plant and Machinery pertaining to Industrial Machinery Division have been depreciated on a Straight-line basis @ 6.33% and 9.50%, as the case may be, based on the estimated useful life of the respective assets, as determined by the approved valuer.
- ii. Assets acquired up to 30th June 1978 have been depreciated on the written down value basis at the rates prescribed under Schedule XIV of the Companies Act, 1956.
- iii. Assets costing Rs.5,000/- or less are fully depreciated in line with Schedule XIV of the Companies Act, 1956.
- iv. Software is amortised over 5 year on Straight Line Method

e) Investments:

Long Term Investments are valued at costs. Provision for diminution in value of investments is made if, in the opinion of the management, the diminution is of a permanent nature.

Current Investments are valued at lower of cost or fair value. .

f) Inventories:

Raw materials Finished Goods and work-in-progress are valued at lower of cost or net realizable value. Cost is determined on a weighted average basis. Work-in-Progress is carried at lower of cost

and net realizable value. Stores & Spare parts are carried at cost, less provision for obsolescence if any.

g) Revenue Recognition:

- i. Sales are recognized at the time of transfer of title in goods. Sales value is inclusive of excise duty but exclusive of sales tax.
- ii. Services are net of service tax. Revenue from services is recognized when services are rendered and related costs are incurred.
- iii. Interest is recognized on time proportion basis.
- iv. Dividend is recognized, at the time when right to receive is established.

h) Foreign Currency Transaction:

- i. Foreign currency transactions are accounted at the rates prevailing on the date of transaction.
- ii. Monetary Assets and Liabilities denominated in foreign currencies are translated at the exchange rate ruling on the Balance Sheet date. Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted for in the Profit and Loss Account.

i) Employees Benefits:

- i. All short terms employees' benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.
- ii. Defined Contribution plan
Retirement benefits in the Provident Fund, Family Pension Fund and Superannuation Scheme, which are defined contribution schemes, are charged to the Profit and Loss account of the year when the contributions accrue.
- iii. Defined Benefit Plan.
Liability for Gratuity, a defined benefit obligation, is accrued and provided for on the basis of actuarial valuation as at the balance Sheet date.
- iv. Other Long Term Benefits
Long term compensated absences are provided on the basis of an actuarial valuation as at the Balance Sheet date. Actuarial gains and losses comprising of adjustment and the effects of changes in actuarial assumptions are recognized in the Profit and Loss account for the year as income or expense.

j) Taxation:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent there is reasonable certainty / if the Company has unabsorbed depreciation or carry forward tax, losses, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that such deffered tax assets can be realized against future taxable profit.

k) Impairment of Assets:

At each Balance sheet date, the management reviews the carrying amount of its assets and goodwill included in each Cash generating Unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount of an asset is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value and the risks specific to the asset. Reversal of impairment loss is recognized immediately as income in the profit and loss account.

l) Operating Lease Granted:

Lease arrangements where the risk and rewards incident to the ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease rentals under operating lease are recognized in profit and loss account on a straight-line basis.

m) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

2. Contingent Liability on account of:

- a) Guarantee given by Bank on behalf of the Company – Rs.19.03 lacs (Previous Year Rs. 6.21 lacs), against which the Company has given counter guarantee.
- b) Demands made by the Income Tax Department – Rs.18.10 lacs (Previous Year Rs. 18.10 lacs), against which the Company has preferred appeals.
- c) Demands made by Employees State Insurance Corporation Rs. 5.08 lacs (Previous Year Rs. 5.08 lacs) against which the Company has preferred appeals.

3. Under the package scheme of Incentive 1993, the company has been permitted to defer the Sales Tax liability pertaining to the period from 01.04.2001 to 30.11.05 by the way of interest free Sales Tax loan. The repayment of the same would commence at the expiry of the 10th year i.e. w.e.f. April, 2011 in five equal annual installments.

4. The Company's business comprises entirely of manufacture and sale of engineering goods, which is confined to the territorial limits of the country, where the risks and returns are largely similar. As such, the Company has only one business segment and only one geographical segment.

5. Related Party disclosure:

Associate Companies

- The Ravalgaon Sugar Farm Ltd
- Carnia Finvest Ltd
- Lanica Financial Services Pvt Ltd.

Key Management Personnel :

Shri Harshavardhan B Doshi Chairman

Transaction with related Parties :

Rs. In Lacs (excluding Service Tax wherever applicable)

Transactions.	Associate Companies		Key Management	
	2009-2010	2008-2009	2009-2010	2008-2009
a) Sales & Recoveries	6.14	21.01	Nil	Nil
The Ravalgaon Sugar Farm Ltd.	6.14	21.01		
b) Lease Rent Received	1.80	7.20	Nil	Nil
The Ravalgaon Sugar Farm Ltd.	1.80	7.20		
c) Interest Received	11.00	11.93	Nil	Nil
The Ravalgaon Sugar Farm Ltd.	11.00	11.93		
d) Purchases	1.41	1.98	Nil	Nil
The Ravalgaon Sugar Farm Ltd.	1.41	1.98		
e) Payments for Services and Expenses	59.97	75.06	Nil	Nil
The Ravalgaon Sugar Farm Ltd.	59.97	75.06		
f) Lease Rent Paid	3.50	0.56	Nil	Nil
The Ravalgaon Sugar Farm Ltd.	0.50	0.56		
Carina Finvest Limited	3.00	Nil		
g) Service Charges	54.33	Nil	Nil	Nil
The Ravalgaon Sugar Farm Ltd.	54.33	Nil		
h) Balance in Intercompany Deposit Given	100.00	100.00	Nil	Nil
The Ravalgaon Sugar Farm Ltd.	100.00	100.00		
i) Balance in Receivables	4.23	28.77	Nil	Nil
The Ravalgaon Sugar Farm Ltd.	4.23	28.77		
j) Balance in Payables	6.84	15.19	Nil	Nil
The Ravalgaon Sugar Farm Ltd.	6.84	15.19		
k) Sale of Fixed Assets	20.00	Nil	Nil	Nil
The Ravalgaon Sugar Farm Ltd.	20.00	Nil		

6. Earnings per Share:

	Particulars	March 31, 2010	March 31, 2009
1	Profit Computation for Earnings per Share of Rs.10 each. Net Profit as per Profit & Loss account available for Equity Share Holders (Rs. In Lacs)	32.76	25.45
2	Weighted Average number of Equity Share for Earnings per Share Computation	640,000	640,000
3	Earnings per Share (Rs.)	5.12	3.98

7. The net deferred tax liability as at 31st March, 2010 comprises of the following: (Rs. in lacs)

	March 31, 2010	March 31, 2009
Deferred Tax Liabilities		
Depreciation	131.74	150.52
Deferred Tax Assets		
Expenditure allowed on payment basis under the Income tax Act, 1961	1.32	1.49
Net Deferred Tax Liability (A-B)	130.42	149.03

8. Additional Information pursuant to the provisions of paragraph 3, 4C and 4D of Part II, Schedule VI to the Companies Act, 1956.

a) Particulars in respect of goods manufactured:

Sr.no	Particulars	Licensed Capacity	Installed Capacity	Actual Prodn. At factory		Stock of Finished Goods			
						Opening		Closing	
						M.T./ Nos.	(Rs. In Lacs)	M.T./ Nos	(Rs. In Lacs)
		M.T.	M.T.	Nos.	M.T.	M.T./ Nos.	(Rs. In Lacs)	M.T./ Nos	(Rs. In Lacs)
1	Acrow Steel Shuttering Scaffolding and Industrial Storage System	4800 (4800)	4800 (4800)	– –	–	11 (11)	0.80 (0.80)	-- (11)	-- (0.80)
2	Sugar Hoppers	*(iii)	*(iii)	23 (12)	– (--)	-- (--)	-- (--)	-- (--)	-- (--)
3	Sugar Graders	*(iii)	*(iii)	1 (--)	– (--)	-- (--)	-- (--)	-- (--)	-- (--)
4	Sugar Elevators	*(iii)	*(iii)	2 (1)	– (--)	-- (--)	-- (--)	-- (--)	-- (--)
5	Pumps	*(iii)	*(iii)	8 (5)	1 (--)	-- (--)	-- (--)	-- (--)	-- (--)
6	Weighing Machines	*(iii)	*(iii)	1 (3)	– (--)	-- (--)	-- (--)	-- (--)	-- (--)
7	Others	*(iii)	*(iii)	– (--)	– (--)	-- (--)	0.73 (0.73)	-- (--)	-- (0.73)

NOTES:

- Figures in bracket indicate corresponding information in respect of the previous year.
- The Company manufactures as many as 50 General items of Machinery used in Sugar and Confectionery Industries for which Licensed / Installed Capacity requirements are not applicable.

b) Details of Raw Materials consumed:

Particulars	2009-2010 Current Year		2008-2009 Previous Year	
	Quantity M.T.	Rs. In Lacs	Quantity M.T.	Rs. In Lacs
Steel	110.38	67.63	93.24	48.24
Components & Others	---	28.17	---	24.90
Total	110.38	95.80	93.24	73.14

c) Value of Imported & Indigenous Consumption of raw Materials:

Particulars	2009-2010 Current Year		2008-2009 Previous Year	
	Rs. In Lacs	%	Rs. In Lacs	%
Imported	0.64	0.67	0.16	0.22
Indigenous	95.16	99.33	72.98	99.78
Total	95.80	100.00	73.14	100.00

d) Value of Imported & Indigenous Consumption of Stores & Spares:

Particulars	2009-2010 Current Year		2008-2009 Previous Year	
	Rs. In Lacs	%	Rs. In Lacs	%
Imported	---	---	---	---
Indigenous	15.23	100.00	23.89	100.00
Total	15.23	100.00	23.89	100.00

e) CIF Value of Import

(Rs in Lac's)

Particulars	2009-2010 Current Year	2008-2009 Previous Year
Raw Materials	—	0.80

f) Details of Sales:

Particulars	2009-2010			2008-2009		
	Quantity		Value	Quantity		Value
	M.T	Nos.	Rs in Lac's	M.T	Nos.	Rs in Lac's
Scaffolding	—	—	—	—	—	—
Storage System	—	—	—	—	—	—
Sugar Hoppers	—	23	140.41	—	12	88.03
Sugar Grades	—	1	13.60	—	—	—
Sugar Elevators	—	2	19.42	—	1	8.50
Pumps	—	8	12.88	—	5	5.59
Weighing & Bagging Machines	—	1	4.50	—	3	15.63
Others (including Spares & Scrap)	—	—	89.43	—	—	188.11
Erection & Commissioning	—	—	4.20	-	—	3.08
Total		—	284.44		—	308.94

Inclusive of Excise duty & Service Tax Rs **21.26 Laacs** (Previous year Rs. 33.83 lacs)

g) FOB Value of Exports:

Rs. in Lacs

Particulars	2009-2010	2008-2009
Sales	10.53	7.88

9. The disclosure required under AS – 15 “Employee Benefits” notified in the Companies (Accounting Standards) Rules 2006, are given below:

A. General description:

Gratuity ;

The Company has a defined benefit gratuity plan, every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Leave Wages ;

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attending superannuation age.

B. Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

Rs. in Lacs.

Particulars	2009 – 2010	2008-2009
Employer's Contribution to Provident Fund	3.12	3.75
Employer's Contribution to Superannuation Fund	—	—

C. Defined Benefit Plan:

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

a) Reconciliation of Opening and Closing balances of Defined Benefit obligation

	Gratuity (Funded) 2009-10	Gratuity (Funded) 2008-09	Leave Encashment (Unfunded) 2009-10	Leave Encashment (Unfunded) 2008-09
Defined Benefit obligation at beginning of the year	1.26	2.67	0.36	0.19
Interest Cost	0.11	0.11	0.04	—
Current Service Cost	0.27	0.40	0.17	0.22
Actuarial (gain)/loss	(0.09)	1.59	(0.41)	1.05
Benefits paid	—	(3.51)	—	(1.09)
Defined Benefit obligation at year end	1.55	1.26	0.16	0.37

b) Reconciliation of Opening and Closing balances of Fair value of plan assets

	Gratuity (Funded) 2009-10	Gratuity (Funded) 2008-09	Leave Encashment (Unfunded) 2009-10	Leave Encashment (Unfunded) 2008-09
Defined Benefit obligation at beginning of the year	1.29	2.26	N.A	N.A
Expected return on the plan assets	0.10	0.24	N.A	N.A
Contributions Paid	—	2.49	N.A	N.A
Actuarial gain/(loss)	0.01	(0.17)	N.A	N.A
Benefits paid	—	(3.52)	N.A	N.A
Fair value of plan assets at year end	1.41	1.30	N.A	N.A
Actual return on plan assets	0.11	0.06	N.A	N.A

c) Reconciliation of fair value of Assets and Obligation.

	Gratuity (Funded) 2009-10	Gratuity (Funded) 2008-09	Leave Encashment (Unfunded) 2009-10	Leave Encashment (Unfunded) 2008-09
Fair value of plan assets as at 31 st March, 2010	1.41	1.30	NIL	NIL
Present value of obligation as at 31 st March, 2010	1.55	1.26	0.16	0.37
Amount recognized in Balance sheet	0.14	(0.04)	0.16	0.37

d) Expenses recognized during the year

	Gratuity (Funded) 2009-10	Gratuity (Funded) 2008-09	Leave Encashment (Unfunded) 2009-10	Leave Encashment (Unfunded) 2008-09
Current Service Costs	0.27	0.40	0.17	0.22
Interest Cost	0.12	0.11	0.04	—
Expected return on plan assets	(0.10)	(0.24)	NIL	NIL
Actuarial (gain)/loss	(0.10)	1.76	(0.41)	1.05
Net Cost	0.18	2.03	(0.19)	1.27

e) Investment Details

% invested As at 31st March 2010

L.I.C Group Gratuity (Cash Accumulation Policy)

100%

100%

f) Actuarial assumptions

	Gratuity (Funded)	Leave Encashment (Unfunded)
Mortality Table (L.I.C.)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	NIL
Rate of escalation in salary (per annum)	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other factors including supply and demand in the employment market. The above information is certified by the actuary.

10. Pursuant to the Accounting Standard (AS 29) – Provisions, Contingent Liabilities and Contingent Assets , the disclosure relating to provisions made in accounts for the year ended 31st March, 2010 is as Follows ;

Particulars	Liability for Warranties Amount (Rs. In Lacs)
Opeining Balance	2.28
Additions	-
Utilisation	0.21
Reversals	-
Closing Balance	2.07

11. Previous Years' figures have been regrouped, wherever necessary, to make them comparable with the figures for the Current Year.

As per our report of even date
For **V.SANKAR AIYAR & Co.**

for and on behalf of the Board of Directors

Chartered Accountants
Firm Registration No. 109208W

Harshavardhan B.Doshi
Chaiman

Narayan Varma
Director

Arvind Mohan
Partner

(Membership No.124082)
Mumbai 27th July, 2010

Mumbai 27th July, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration details

Registration No.	11601	State Code	11
Balance Sheet Date	31 03		2010

II Capital revised during the year (Amount in Rs. Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III Position of Mobilisation and Deployment of Fundas (Amount Rs. Thousands)

Total Liabilities	122665	Total Assets	122665
Sources of Funds		Reserves & Surplus	88530
Paid-up	6400	Unsecured Loans	14692
Secured Loans	Nil		
Deferred Tax Liability (Net)	13043		

Application of Funds

Net Fixed Assets	51588	Investments	7140
Net Current Assets	63937		

IV Performance of Company (Amount in Rs. Thousand)

Turnover	26318	Total Expenditure	29074
Profit Before Tax	2546	Other Income	4963
Earning per Share in Rs.	5.12	Profit After Tax	3276

V Veneric Names of Three Principal Products/Service of the Company

(as per monetary terms)

Item Code No. (ITC Code)	7308.910
Product Description	STORAGE STRUCTURES
Item Code No.(ITC Code)	8479.119
Product Description	SUGARHOPPERS
Item Code No. (ITC Code)	8479.119
Product Description	SUGARGRABBERS

For And on behalf of Board of Directors

HARSHAVARDHAN B. DOSHI.
CHAIRMAN

Directors

DATE: 27th JULY 2010.

CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH 2010

	<i>Year ended 31.03.2010 Rs. in lacs</i>		<i>Year ended 31.03.2009 Rs. in lacs</i>
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax	25.46		13.78
Adjustment for:			
— Depreciation	32.29	31.83	
— Interest paid	0.24	0.97	
— Provision for Dimunation in Investments	0.07	(—)	
— Dividend Received	(2.57)	(4.10)	
— Interest Received	(37.55)	(45.58)	
— Loss/(Profit) on sale Asset / Investments	(3.86)		
	(11.38)		(16.88)
Operating profit before Working Capitl Changes	14.08		(3.10)
Adjustments for:			
— Trade and other Receivables	36.18	19.06	
— Inventories	33.89	(63.32)	
— Trade Payables & Deposits	(31.19)	(33.57)	
Cash generated from oprations	52.96		(80.93)
Direct taxes (Paid)/Received	(13.05)		(14.79)
Net Cash from Operating Activities	39.91		(95.72)
B. CAHS FLOW FROM INVESTING ACTIVITIES:			
Sale/(Purchase) of Fixed Assets	11.81		(35.67)
Dividend Received	2.57		4.10
Interest Received	33.11		42.74
Inter Corporate Deposits (Placed)/Received back	—		130.00
Investments (made) / Sold	48.35		(3.35)
Net Cash from Investing Activities	95.84		137.82
C CASH FLOW FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Finance Liabilities	(0.67)		(1.69)
Incremental Working Capital Borrowings/ (Repayments)	(19.81)		(17.58)
Interest Paid	(0.24)		(0.97)
Dividend Paid	(21.90)		(22.03)
Net Cash from Financing Activities	(42.62)		(42.27)
Net increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	93.13		(0.17)
Cash and Cash Equivalents:			
— Opening Balance	338.63		338.80
— Closing Balance	431.76		338.63

As per our report of even date
For V.SANKAR AIYAR & Co.

Chartered Accountants
Firm Registration No. 109208W

Arvind Mohan
Partner

(Membership No.124082)
Mumbai 27th July 2010

for and on behalf of the Board of Directors

Harshavardhan B.Doshi
Chairman

Narayan Varma
Director

Mumbai 27th July 2010

ACROW INDIA LIMITED

Regd. Office : Plot Nos.2 &3, At & Post Ravalgaon, Taluka Malegaon,
Dist. Nashik, Maharashtra 423 108.

ATTENDANCE SLIP FOR THE ANNUAL GENERAL MEETING ON 30TH SEPTEMBER, 2010 AT 09.30 A.M.

I hereby record my presence at the 50th ANNUAL GENERAL MEETING of the company at

Krida mandal Hall, At & Post Ravalgaon, Tal. Malegaon, dist. nashik, Maharashtra, Pin Code 423 108

Member's /Proxy's Name _____
(In Capital Letters)

Folio No. _____

Signature of the Member/Proxy

NOTE: Shareholders/Proxy holders are requested to bring the attendance slip with them when they come to the meeting and hand them over at the entrance after affixing their signature on them.]

ACROW INDIA LIMITED

Regd. Office : Plot Nos.2 &3, At & Post Ravalgaon, Taluka Malegaon, Dist. Nashik, Maharashtra 423 108.

PROXY

I/We _____

of _____

in the district of _____ being a

Member / Members of the above named Company hereby appoint _____

of _____ in the district of failing him _____

of _____ in the district of failing him _____

of _____ in the district of _____

as my/ our Proxy to vote for me/us on my/ our behalf at the 50th Annual General Meeting of the Company to be held on 30th September 2010 at 09.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2010

Signature _____

Affix
One Rupee
Revenue
Stamp

Note: a) the Proxy Form must be deposited at the Registered Office not less than 48Hours before the time for holding the Meeting. A Proxy need not be a member of the Company.

b) the form should be signed across the stamp s per specimen signature registered with the company.

BOOK POST
(UCP)



If undelivered please return to:

ACROW INDIA LIMITED

Regd Office: Plot Nos.2&3, At & Post Ravalgaon
Taluka Malegaon, Dist. Nasik, 423108 (Maharashtra)