

AHMEDABAD STEELCRAFT LIMITED

27th ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 1999



AHMEDABAD STEELCRAFT LIMITED

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AHMEDABAD STEELCRAFT LIMITED

BOARD OF DIRECTORS :

Shri Anilbhai Kasturbhai Jhaveri	– Chairman & Managing Director
Shri Anandbhai Vipinbhai Shah	– Managing Director
Shri Shaileshbhai Dahyabhai Shah	– Executive Director
Shri Anand N. Jhaveri	– Executive Director
Shri Navinbhai Kasturbhai Jhaveri	
Shri Girishbhai Dahyabhai Shah	
Shri Ashok C. Gandhi	
Shri Kanishka H. Kaji	
Shri Jawahar I. Mehta	
Shri Gaurav A. Parikh	
Shri Shashank I. Shah	
Shri Darshan A. Jhaveri	

BANKERS

: Central Bank of India
Lal Darwaja
Ahmedabad 380 001

AUDITORS

: DHIREN SHAH & CO.
Chartered Accountants
2nd Floor, Swastik Avenue,
Navrangpura, Ahmedabad.

REGISTERED OFFICE

: 205, 206, "Abhijeet"
2nd Floor, Mithakhali Six Roads,
Navrangpura, Ahmedabad 380 006
Tele : 6401996 / 97
Fax : 91-79-6404656
E-mail : ascsteel@ad1.vsnl.net.in
Website : www.steelcraft.co.in

FACTORY

: Odhav Road, Ahmedabad-382 410.



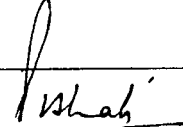
**EEPC
AWARD FOR
EXPORT EXCELLENCE
(1997-98)**

To Messers Ahmedabad Steelcraft Ltd.

Ahmedabad

in recognition of achieving highest export performance during 1997-98
amongst the Non-SSI exporters in the panel Fabricated Steel
Structures including Transmission Line Towers.

Dated, New Delhi 24th June 1999


P. K. SHAH
Chairman

■ ENGINEERING EXPORT PROMOTION COUNCIL ■



AHMEDABAD STEELCRAFT LIMITED

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of Ahmedabad Steelcraft Limited will be held on Saturday the 18th September, 1999 at 12.00 noon in the premises of Gujarat Chamber of Commerce and Industry, Ashram Road, Ahmedabad - 380 009 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 1999 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors.
2. To declare dividend.
3. To appoint a Director in place of Shri Kanishka H. Kaji, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Jawahar I. Mehta, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Shri Navinbhai K. Jhaveri, who retires by rotation and being eligible offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 Shri Anand V. Shah be and is hereby appointed as the Managing Director of the Company for the period of five years commencing from 17th October, 1998 on terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto with an authority to the Board of Directors to alter and/or vary including the enhancement of his remuneration in such manner and to such extent as may be agreed between the Board of Directors and Shri Anand V. Shah so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit the remuneration as stated in the explanatory statement shall be paid to Shri Anand V. Shah as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 Shri Darshan A. Jhaveri be and is hereby appointed as the Whole Time Director designated as Executive Director of the Company for the period of five years commencing from 1st September, 1999 on terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto with an authority to the Board of Directors to alter and/or vary including the enhancement of his remuneration in such manner and to such extent as may be agreed between the Board of Directors and Shri Darshan A. Jhaveri so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments thereto.



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RESOLVED FURTHER THAT in the event of loss or inadequacy of profit the remuneration as stated in the explanatory statement shall be paid to Shri Darshan A. Jhaveri as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

9. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 Shri Anand N. Jhaveri be and is hereby reappointed as the Whole Time Director designated as Executive Director of the Company for the period of five years commencing from 1st April, 2000 on terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto with an authority to the Board of Directors to alter and/or vary including the enhancement of his remuneration in such manner and to such extent as may be agreed between the Board of Directors and Shri Anand N. Jhaveri so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit the remuneration as stated in the explanatory statement shall be paid to Shri Anand N. Jhaveri as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

10. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

RESOLVED THAT pursuant to Section 31 and other applicable provisions of Companies Act, 1956, if any, the Articles of Association of the Company be altered as follows :

- (a) Existing Article 2 (viii) be substituted by the following Article

'2 (viii)' 'Member' means the duly registered holder of the share(s) of the Company from time to time including subscriber to the Memorandum of Association of the Company and will also include the beneficial owner as defined in Article 26 A.

- (b) After Sub Article (b) of Article 19, the following Article be added.

(c) 'The Company shall not entertain any application for split of share/debenture certificate for less than marketable lots; provided however that the Board shall be entitled to allow the split of share/debenture certificate, if in the opinion of the Board refusal of such application is likely to result in undue hardship to any share/debenture holder.'

- (c) After Article 26, the following Article and heading be added.



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DEMATERIALISATION OF SECURITIES

Definitions

26 A (i) For the purpose of this Article :

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities and Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and security means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities

- (ii) Notwithstanding, anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors

- iii) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his Security with a depository, the Company shall intimate such depository the details of allotment of security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

- iv) All the securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner.

Rights of depositories and beneficial owners

- v) (A) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (B) Save as otherwise provided in (A) above, the depository as the registered owner of the securities shall not have any voting rights in respect of the securities held by it.
- (C) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the security shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.



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Service of documents

- vi) Notwithstanding anything contained in the Act or these Articles to the contrary, where the securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

- vii) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of securities dealt with in a depository

- viii) Notwithstanding anything contained in the Act, or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of Securities held in a depository

- ix) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of beneficial owners

- x) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

By Order of the Board

Anil K. Jhaveri

Chairman

Place : Ahmedabad

Date : 17-06-1999

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.
2. The Register of Members and Share Transfer Book of Company will remain closed from 7th September, 1999 to 18th September 1999 (both days inclusive).
3. Explanatory Statement under section 173(2) of the Companies Act, 1956 in respect of special business is annexed.
4. Dividend, if declared, will be payable from 30th October, 1999 to those Members whose names appear on the Register of Members of the Company on 18th September, 1999.
5. Members are requested to notify the change in their address if any.
6. With a view to provide protection against fraudulent encashment of dividend warrant, the members are requested to provide their bank account numbers, names and addresses of the bank branches to enable the Company to incorporate the said details in dividend warrants. Such details should reach the Company latest by 18th September, 1999.



AHMEDABAD STEELCRAFT LIMITED

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 7, 8 & 9.

The Board of Directors of the Company have Subject to the Approval of members under section 269 of the Companies Act, 1956 Appointed Shri Anand V. Shah as the Managing Director of the Company in place of Late Shri Vipinbhai D. Shah for the period of Five Years Commencing from 17th October, 1998. The Appointment is in accordance with Schedule XIII of the Companies Act, 1956.

The tenure of Shri Anand N. Jhaveri as the Executive Director will expire on 31st March, 2000. However, the Board at its meeting held on 17th June, 1999, decided to re-appoint him as Executive Director with effect from 1st April, 2000 i.e. the day following the date of expiry of his tenure for the further period of five years, subject to the approval of the members.

The Board of Directors of the Company have Subject to the Approval of Shareholders Under Section 269 of the Companies Act, 1956 Appointed Shri Darshan A. Jhaveri as the Whole Time Director of the Company designated as Executive Director for the period of Five Years Commencing from 1st September, 1999. The Appointment is in accordance with Schedule XIII of the Companies Act, 1956.

The remuneration payable to each of the above Directors is as under :

1. Salary

Rs. 12000/- per month with yearly increment of Rs. 500/- P.M. effective from their respective dates of appointment/reappointment.

2. Perquisites

Following Perquisites will be provided subject to condition that the total amount of perquisites will not exceed an amount equal to annual salary.

Category A

- (a) Reimbursement of Expenses : Incurred by the appointee on gas, electricity and water valued as per Income Tax Rules subject to ceiling of 10% of salary.
- (b) Medical Reimbursement : Reimbursement of Medical Expenses incurred in connection with the medical treatment of self and family members not exceeding an amount equal to one month's salary in a year or three month's salary over a period of three years.
- (c) Leave Travel Concession : Reimbursement of travelling expenses for self and family members twice in a block of four years.
- (d) Club Fees : Membership Fees not more than two clubs. However, the admission fees shall not be admissible.
- (e) Insurance Premium : Insurance Premium for the personal accident for self and dependents not exceeding Rs. 4000/- p.a.

Category B

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceilings on perquisites to the extent these either singly or put together are not taxable under Income Tax Act.

Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.



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Category C

Provision of car for use on Company's Business and telephone at residence will not be considered as perquisites. Personal Long Distance Calls and use of Car for Private purpose if any, shall, however, be billed by the Company to these Directors.

In the event of loss or inadequacy of profits the aforesaid remuneration shall be paid to these Directors as minimum remuneration.

Shri Anand V. Shah is concerned or interested in the resolution at item No. 7.

Shri Anand N. Jhaveri is concerned or interested in the resolution at item no. 8. Shri Navinbhai K. Jhaveri, being relative of Shri Anand N. Jhaveri can also be deemed to be concerned or interested in this resolution.

Shri Darshan A. Jhaveri is concerned or interested in the resolution at item no. 9.

This explanation may be regarded as an abstract of terms of appointment/reappointment of Managing Director/Whole Time Directors together with memorandum of interest as required under section 302 of the Companies Act, 1956.

ITEM NO. 10

The Company has issued the Share Certificates in marketable lot of 100 equity shares each, with a view to avoid administrative inconvenience and also to allow the trading of security in marketable lot. The Board has proposed to add sub Article (c) after sub Article (b) of Article 19 to avoid the splitting of Share Certificate for less than marketable lot.

In order to bring the Company's Article in line with the Depositories Act, 1996 and the amendments made to the Companies Act, 1956, upon introduction of the Depository System, certain changes are required to be made in the Articles of Association of Company by adding Article 26 A as specified in item no. 10 of the annexed notice.

A copy of the Articles of Association of the Company together with the proposed alterations is available for inspection at the Registered Office of the Company between 3.00 P.M. to 5.30 P.M. on all working days except Saturdays.

The resolution is commended by the Board of Directors for acceptance by the members.

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

Place : Ahmedabad

Date : 17-06-1999

By Order of the Board

Anil K. Jhaveri

Chairman