

28th ANNUAL REPORT

1999 - 2000



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PROFILES

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 Darshan A. Jhaveri	– Executive Director
Shri Shashank I. Shah	– 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	

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.



AHMEDABAD STEELCRAFT LIMITED

NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of Ahmedabad Steelcraft Limited will be held on Thursday the 7th September, 2000 at 11.30 A.M. 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, 2000 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors.
2. To note payment of dividend.
3. To appoint a Director in place of Shri Ashok C. Gandhi, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Gaurav A. Parikh, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Shri Shashank I. Shah, 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 Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 Shri Shashank I. Shah be and is hereby appointed as the Wholtime Director designated as Executive Director, of the Company for the period of five years commencing from 1st November, 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 Shashank I. 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 Shashank I. 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.

Place : Ahmedabad
Date : 14th June, 2000

By order of the Board of Directors

ANIL K. JHAVERI

CHAIRMAN

**AHMEDABAD STEELCRAFT LIMITED****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 29th August, 2000 to 7th September 2000 (both days inclusive).
3. Explanatory Statement under section 173(2) of the Companies Act, 1956 in respect of special business is annexed.
4. The Board of Directors in their meeting held on 23rd March, 2000 declared payment of interim dividend @ 20% on equity share capital for the year 1999-2000.

At the Board Meeting held on 14th June, 2000 Board has decided to treat interim dividend as final dividend. Accordingly shareholders would note the payment of interim dividend made on the share capital of the Company. (Refer item No. 2 of the Notice).

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AHMEDABAD STEELCRAFT LIMITED

ANNEXURE TO NOTICE

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

ITEM NO. 7

The Board of Directors of the Company have Subject to the Approval of members under section 269 of the Companies Act, 1956 Appointed Shri Shashank I. Shah as the Wholtime Director of the Company designated as Executive Director for the period of Five Years Commencing from 1st November, 1999. The Appointment is in accordance with Schedule XIII of the Companies Act, 1956.

The remuneration payable to Shri Shashank I. Shah is as under :

1. Salary

Rs. 12000/- per month with an annual increment of Rs. 500/- per month.

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.

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 him.

That in the event of loss or inadequacy of profits the aforesaid remuneration shall be paid to him as minimum remuneration.

Shri Shashank I. Shah is concerned or interested in this resolution as it pertains to his appointment and remuneration payable to him. None of the other Directors is, in any way, concerned or interested in this resolution.

By Order of the Board of Directors

Anil K. Jhaveri

Chairman

Place : Ahmedabad

Date : 14-06-2000



AHMEDABAD STEELCRAFT LIMITED

DIRECTORS' REPORT

To,

The Shareholders,

Your Directors have pleasure in presenting their Twenty Eighth Annual Report together with Audited Accounts for the year ended on 31st March, 2000.

1. FINANCIAL RESULTS :

	1999-2000 (Rs. in Lacs)	1998-99 (Rs. in Lacs)
Profit before depreciation and taxation	222.59	88.89
Less :		
Provision for depreciation	34.09	26.69
Provision for taxation	35.00	13.50
Profit after tax	153.50	48.70
Add :		
Profit brought forward from last year	2.55	1.25
Short provision for taxation in previous year	- 1.80	- 1.98
	<u>154.25</u>	<u>47.97</u>
APPROPRIATIONS :		
Interim Dividend	81.84	-
Proposed Dividend	-	40.92
Tax on Dividend	9.00	4.50
Transfer to General Reserve	12.00	-
Balance carried to Balance Sheet	<u>51.41</u>	<u>2.55</u>
	<u>154.25</u>	<u>47.97</u>

2. DIVIDEND :

Your Directors declared an interim dividend @ 20% for the year under review on 23rd March, 2000 and the same has already been paid on 23rd May, 2000. This has absorbed an amount of Rs. 81.84 lacs. As per the provisions of the Income Tax Act, 1961 Companies have to pay additional tax @ 10% on the amount of dividend and Surcharge @ 10% on such tax. This has absorbed a further amount of 9.00 lacs. The Directors do not recommend any further dividend and therefore the interim Dividend is to be considered as the final Dividend for the year ended on 31st March, 2000.



AHMEDABAD STEELCRAFT LIMITED

3. OPERATIONS :

The Directors are pleased to state that there has been all round improvement in the working of the Company during the year under review in spite of the stiff competition in local as well as overseas market. There is an increase in the production, sales and profitability. The profit before tax is more than tripled.

All efforts are being made to further improve the working of the Company. However, it will not be out of place to mention here that in Steel Industry the situations keep changing very fast. Encouraged with the good results of the Company the Directors have doubled the dividend rate while declaring interim Dividend.

4. EXPORTS :

The Company continued to accord its high priority and importance to exports. There has been significant improvement in the exports of the Company during the year. The exports have increased by 14% in terms of quantity and 24% in terms of value. As usual this year also Company developed some new Sections for the overseas buyers. New territories have also been added to our export market.

5. WIND MILL :

Our wind Mill at Lamba started refunctioning in June 1999 after its closure due to severe cyclone of 8th & 9th June, 98. Now it continues to work normally.

6. Y2K COMPLIANCE :

No software or hardware problem relating to Y2K was reported during the course of transition to the New Millennium.

7. FINANCE AND BANKING :

There is no term loan borrowing from the Bankers or Financial Institutions.

8. INSURANCE :

All the assets of the Company have been adequately insured.

9. DEPOSITS :

The Company has not accepted any deposits from public during the year.

10. DIRECTORS :

The Board of Directors appointed Shri Shashank I. Shah as the Whole Time Director of the Company designated as Executive Director for a period of five years with effect from 1st November, 1999. The necessary resolution for approving the appointment of Shri Shashank I. Shah as the Whole Time Director and the remuneration payable to him is being placed before you in the ensuing Annual General Meeting.

As per the provisions of Articles of Association of the Company Sarva Shri Ashok C. Gandhi, Gaurav A. Parikh and Shashank I. Shah retire from the Board by rotation and being eligible offer themselves for re-appointment.



AHMEDABAD STEELCRAFT LIMITED

11. AUDITOR'S REPORT :

The remarks made by the Auditors in their Report have been suitably dealt with in the schedules and notes and therefore do not call for any further clarification.

12. APPOINTMENT OF AUDITORS :

M/S. DHIREN SHAH AND CO. Chartered Accountants retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

13. PARTICULARS OF EMPLOYEES :

There were no employees drawing remuneration of Rs. 6,00,000/- or more per annum employed throughout the year or Rs. 50,000/- or more, per month employed for a part of the year.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure-1 forming part of this report.

15. APPRECIATIONS :

Your Directors place on record their sincere appreciation for the valuable and dedicated services rendered by the employees of the Company. They also place on record the fullest co-operation extended by the bankers to the Company.

For and on behalf of the Board of Directors

Place : Ahmedabad

Anil K. Jhaveri

Date : 14-06-2000

Chairman

ANNEXURE 1

Particulars as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

- A. **Conservation of Energy** : The main reheating furnace was re-designed and put into operation. This enabled the Company to achieve saving in consumption of Furnace oil from October 1999.
- B. (1) **Research and Development** : Besides the test and normal research nothing significant was felt necessary. Six new Sections have been developed for export market.
(2) **Technology absorption** : There is no change in technology.
- C. **Foreign Exchange earning and outgo** :
(1) Activities relating the Export : Please refer to para 4 of this Report.
(2) Foreign Exchange earned Rs. 598.23 lakhs
Foreign Exchange used Rs. 6.64 lakhs