

35th ANNUAL REPORT 2006-2007



AHMEDABAD STEELCRAFT LIMITED

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**BOARD OF DIRECTORS :**

Shri Ashok C. Gandhi	- Chairman
Shri Anandbhai V. Shah	- Managing Director
Shri Darshan A. Jhaveri	- Managing Director
Shri Shashank I. Shah	- Executive Director
Shri Anand N. Jhaveri	- Executive Director
Shri Girishbhai D. Shah	- Executive Director
Shri Viral A. Jhaveri	- Executive Director
Shri Jawahar I. Mehta	- Director
Shri Kanishka H. Kaji	- Director

BANKERS

: Central Bank of India
Lal Darwaja
Ahmedabad 380 001

AUDITORS

: DHIREN SHAH & CO
Chartered Accountants
2nd Floor, Swastik Avenue,
Navrangpura, Ahmedabad 380 009

REGISTERED OFFICE

: 205, 206, "Abhijeet"
2nd Floor, Mithakhali Six Roads,
Navrangpura, Ahmedabad 380 009
Tele : 26401996/97
Fax : 91-79-26404656
E-mail : ascsteelad1@sancharnet.in
Website : www.steelcraft.co.in

FACTORY

: Odhay Road, Ahmedabad-382 410.

**NOTICE**

NOTICE is hereby given that the 35th Annual General Meeting of the Members of Ahmedabad Steelcraft Limited will be held on Wednesday the 19th September, 2007 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, 2007 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors.
2. To appoint a Director in place of Shri Ashok C. Gandhi who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Girish D. Shah who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Viral A. Jhaveri who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration thereto

SPECIAL BUSINESS

6. 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 re appointed as Managing Director of the Company for the period of five years commencing from 01-10-07 on terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto with an authority to Board of Directors to alter and/or vary including the enhancement of his remuneration in such manner and to such extend 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 in adequacy 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.



To consider and if thought fit to pass with or without modification following resolution as 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 re appointed as Managing Director of the Company for the period of five years commencing from 01-10-07 on terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto with an authority to 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.

RESOLVED FURTHER THAT in the event of loss or in adequacy 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.

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 Viral A. Jhaveri be and is hereby re appointed as Wholtime Director designated as Executive Director of the Company for the period of five years commencing from 01-10-07 on terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto with an authority to 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 Viral A. 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 Viral 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 though 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 Girishbhai D. Shah be and is hereby re appointed as Wholtime Director designated as Executive Director of



the Company for the period of five years commencing from 01-10-07 on terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto with an authority to 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 Girishbhai D. 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 Girishbhai D. 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.

10. 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 Shashank I. Shah be and is hereby re appointed as Wholtime Director designated as Executive Director of the Company for the period of five years commencing from 01-10-07 on terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto with an authority to 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 be 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.

11. 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 provision if any, of the Companies Act, 1956 Shri Anand N. Jhaveri be and is hereby re appointed as Wholtime Director designated as Executive Director of the Company for the period of five years commencing from 01-10-07 on terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto with an authority to 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.



AHMEDABAD STEELCRAFT LIMITED

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.

Place : Ahmedabad

Date : 18-06-2007

By Order of the Board of Directors

ASHOK C. GANDHI

CHAIRMAN

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 BEFORE THE COMMENCEMENT OF MEETING.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOK OF COMPANY WILL REMAIN CLOSED FROM 13-9-2007 TO 19-9-2007 (BOTH DAYS INCLUSIVE)
3. THE SHAREHOLDERS WHO HAVE NOT ENCHANGED THEIR DIVIDEND FOR THE FINANCIAL YEAR 1999-2000 ARE REQUESTED TO REVALIDATE THEIR DIVIDEND WARRANTS BEFORE 30-10-2007 THE DIVIDEND NOT ENCHANGED BEFORE, WILL BE TRANSFERRED TO INVESTOR PROTECTION FUND.
4. THE EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173 (2) IS ANNEXED TO NOTICE IN RESPECT OF ITEM NO. 6 TO 11.

ITEM NO. 6-11

Subject to the approval of Shareholders, under section 269 of the and The Companies Act, 1956 thought is given by the management to re appoint the Managing Directors as stated in resolution No. 6 and 7 of the Notice and Whole Time Directors designated as an Executive Directors stated in resolution No. 8 to 11 of the Notice. Looking to their day to day involvement in the business of the Company it was considered necessary to appoint these directors in the whole time employment of the Company.

The Appointments are in accordance with the provisions of section 269 and schedule XIII of the Companies Act, 1956.



The terms of their appointments are as under.

1. SALARY

Sr. No	Name of Director	Designation	Scale	Period	Remarks
1.	Anand V. Shah	Managing Director	Rs. 25,000-100.000 P.M	5 Years w.e.f. 01-10-2007	Liabile to retire by rotation
2.	Darshan A. Jhaveri	Managing Director	Rs. 25,000-100.000 P.M.	5 Years w.e.f. 01-10-2007	Liabile to retire by rotation
3.	Viral A. Jhaveri	Whole time Director Designated as Executive Director	25,000-100,000 P.M.	5 Years w.e.f. 01-10-2007	Liabile to retire by rotation
4.	Girish D. Shah	Whole time Director Designated as Executive Director	Rs. 25,000-100.000 P.M.	5 Years w.e.f. 01-10-2007	Liabile to retire by rotation
5.	Shahank I. Shah	Whole time Director Designated as Executive Director	Rs. 25,000-100,000 P.M.	5 Years w.e.f. 01-10-2007	Liabile to retire by rotation
6.	Anand N. Jhaveri	Wholetime Director Designated as Executive Director	Rs. 25,000-100,000 P.M.	5 Years w.e.f. 01-10-2007	Liabile to retire by rotation



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 Rule 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 three month's Salary in a year.
- (c) Leave Travel Concession (LTC) : Reimbursement of travelling expenses for self and family members twice in a block of four years with a facility to encash the LTC not availed in the said block.
- (d) Club Fees : Membership Fees not more than two clubs. However, admission fees shall not be admissible.
- (e) Insurance Premium : Insurance Premium for the personal accident for self and dependents not exceeding Rs. 10,000/- 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.

Privileged Leave : As per the rules of the Company. Unclaimed Privileged Leave be encashed at the end of year i.e. 31 st March.

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.

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

The above may also be treated as abstract of the terms of the appointments under section 302 of the Companies Act, 1956.

The Directors recommend the resolution as set out in item no. 6 to 11 in the notice.

Shri Anand Shah, Shri Darshan Jhaveri, Shri Viral Jhaveri, Shri Anand Jhaveri, Shri Shashank Shah and Shri Girish Shah are concerned or interested in the resolution set out in item no. 6 to 11 relating to their appointment as Director/Relative of the appointee.

**DIRECTORS' REPORT**

To,
The Shareholders,

Your Directors have pleasure in presenting their 35th Annual Report together with Audited Accounts for the year ended on 31st March, 2007.

1. FINANCIAL RESULTS :

	2006-2007 (Rs. in Lacs)	2005-2006 (Rs. in Lacs)
Profit / (Loss) before depreciation and taxation	(59.89)	(241.72)
Less:		
Provision for depreciation	37.20	33.81
Provision for taxation	--	--
Add : Deferred tax credit	--	(0.91)
Profit (Loss) after tax	(97.09)	(276.44)
Add :		
Excess/(Short) provision in previous year	--	2.76
Profit (Loss) brought forward from last year	(119.95)	153.73
Total	<u>(217.04)</u>	<u>(119.95)</u>
APPROPRIATIONS:		
Proposed Dividend	---	---
Tax on Dividend	---	---
Transfer to General Reserve	---	---
Balance carried to Balance Sheet	<u>(217.04)</u>	<u>(119.95)</u>

2. OPERATIONS :

The turnover of the Company during the year was Rs. 2551.29 Lacs in comparison of Rs. 992.04 Lacs in previous year showing substantial increase of 257% in turnover on account of spurt in export turnover. However, on account improvement in Indian Rupee without simultaneous improvement in export realization and steep increase in raw materials prices without simultaneous rise in price of finished product the Company was not able to earn profits during the year and there was a loss of Rs. 97.09 Lacs during the year.

Baring unforeseen circumstances the Company will be able to earn Profit in Current year.

3. DIVIDEND:

In view of loss your Board do not recommend dividend for the financial year ended 31-03-2007.