

40th ANNUAL REPORT

2011-12



AHMEDABAD STEELCRAFT LIMITED



AHMEDABAD STEELCRAFT LIMITED

BOARD OF DIRECTORS:

Shri Ashok C. Gandhi	- Chairman
Shri Anand V. Shah	- Managing Director
Shri Darshan A. Jhaveri	- Managing Director
Shri Shashank I. Shah	- Executive Director
Shri Anand N. Jhaveri	- Executive Director
Shri Girish D. Shah	- Executive Director
Shri Shri Viral A. Jhaveri	- Executive Director
Shri Kanishka H. Kaji	- Director
Dr. Malay Mahadevia	- Director

BANKERS : HDFC Bank Ltd.
Nr. Mithakhali Six Road,
Navrangpura,
Ahmedabad - 380 009.

AUDITORS : M/S. DHIREN SHAH & CO.
Chartered Accountants
2nd Floor, Swastik Avenue,
Navrangpura,
Ahmedabad - 380 009.

REGISTERED OFFICE : 401, 4th Floor, 637 Complex,
Panchvati 2nd Lane, Gulbai Tekra,
Ahmedabad - 380 006.
Tele: 26401996/97
Fax: 91-79-26404656
Website: www.steelcraft.co.in
Email: ascsteelad1@gmail.com

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NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the Members of Ahmedabad Steelcraft Limited will be held on Friday, the 21st September, 2012 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, 2012 and the statement of 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 on equity shares.
3. To appoint a Director in place of Shri Shashank I. Shah who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Anand N. Jhaveri who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Girish D. Shah who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration thereto.

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 reappointed as Managing Director of the Company for the period of five years commencing from 01-10-12 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 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 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 reappointed as Managing Director of the Company for the period of five years commencing from 01-10-12 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 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 Shashank I. Shah be and is hereby reappointed as Whole time Director



designated as Executive Director of the Company for the period of five years commencing from 01-10-12 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 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.

10. To consider and if though fit to pass with or without modification the following resolution as a Special 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 Girish D. Shah be and is hereby reappointed as Whole time Director designated as Executive Director of the Company for the period of five years commencing from 01-10-12 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 Girish 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 Girish 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.

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 provisions if any, of the Companies Act, 1956 Shri Anand N. Jhaveri be and is hereby reappointed as Wholetime Director designated as Executive Director of the Company for the period of five years commencing from 01-10-12 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 exceed to 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.

12. 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 reappointed as Whole time Director designated as Executive Director of the Company for the period of five years commencing from 01-10-12 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.

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

RESOLVED THAT Dr. Malay Mahadevia who was appointed as an Additional Director to hold the office upto the date of ensuing Annual General Meeting be and is hereby appointed a Director of the Company in terms of Section 255 of the Companies Act, 1956.

For and on behalf of the Board

Place: Ahmedabad
Date : 27.07.2012

Anand V. Shah & Darshan A. Jhaveri
Managing Directors

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 15.09.2012 TO 21.09.2012 (BOTH DAYS INCLUSIVE). FOR THE PURPOSE OF MAKING PAYMENT OF DIVIDEND TO ELIGIBLE MEMBERS.
3. THE EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173 (2) OF THE COMPANIES ACT, 1956 IS ANNEXED TO NOTICE IN RESPECT OF ITEM NO. 7 TO 13.
4. MEMBERS ARE REQUESTED TO BRING THEIR ATTENDENCE SLIP ALONGWITH THEIR COPY OF ANNUAL REPORT TO THE MEETING AND THE SAME WILL NOT BE DISTRIBUTED.

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT IN TERMS OF SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 7 TO 12.**

Subject to the approval of Shareholders under section 269 of The Companies Act, 1956, thought is given by the management to reappoint the Managing Directors as stated in resolution No.7 and 8 of the notice and Whole Time Directors designated as an Executive Directors stated in resolution no.9 to 12 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	Upto ₹ 125,000 P.M.	5 Years w.e.f. 01-10-2012 to 30-09-2017	Liable to retire by rotation
2.	Darshan A. Jhaveri	Managing Director	Upto ₹ 125,000 P.M.	5 Years w.e.f. 01-10-2012 to 30-09-2017	Liable to retire by rotation
3.	Shashank I.Shah	Whole time Director Designated as Executive Director	Upto ₹ 125,000 P.M.	5 Years w.e.f. 01-10-2012 to 30-09-2017	Liable to retire by rotation
4.	Girish D.Shah	Whole time Director Designated as Executive Director	Upto ₹ 125,000 P.M.	5 Years w.e.f. 01-10-2012 to 30-09-2017	Liable to retire by rotation. The Special resolution is proposed as per Part I (C) (ii) of Schedule XIII.
5.	Anand N.Jhaveri	Whole time Director Designated as Executive Director	Upto ₹ 125,000 P.M.	5 Years w.e.f. 01-10-2012 to 30-09-2017	Liable to retire by rotation.
6.	Viral A. Jhaveri	Whole time Director Designated as Executive Director	Upto ₹ 125,000 P.M.	5 Years w.e.f. 01-10-2012 to 30-09-2017	Liable 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 will be encashed at the end of the year i.e. 31st 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 perquisites shall be paid to these Directors as minimum perquisites.

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. 7 to 12 in the notice.

Shri Anand V. Shah, Shri Darshan A. Jhaveri, Shri Shashank I. Shah, Shri Girish D. Shah, Shri Anand N. Jhaveri, and Shri Viral A. Jhaveri are concerned or interested in the resolution set out in Item no. 7 to 12 relating to their appointment as Director/Relative of the appointee.

ITEM NO. 13.

Dr. Malay Mahadevia was appointed as Additional Director on 12.11.2011 in terms of section 260 of the Companies Act, 1956 to hold the office upto the date of ensuing Annual General Meeting. His term as Additional Director will expire on the date of this Annual General Meeting. The Company has received a recommendation together with requisite deposit from a shareholder under section 257 of the Companies Act, 1956 for his appointment as Director of the Company in terms of section 255 of the Companies Act, 1956.

The Board therefore, recommends his appointment as an Independent Director in terms of section 255 of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

None of the Director except the appointee is interested in the Resolution set out in item No.13 of the notice convening this meeting

For and on behalf of the Board

Place: Ahmedabad
Date : 27.07.2012

Anand V. Shah & Darshan A. Jhaveri
Managing Directors



DIRECTORS' REPORT

The Shareholders,

Your Directors have pleasure in presenting their 40th Annual Report together with Audited Accounts for the year ended on 31st March 2012.

1. FINANCIAL RESULTS:

	2011-2012 (Rs. in Lacs)	2010-2011 (Rs. in Lacs)
Profit/(Loss) before depreciation and taxation	247.63	2466.28
Less:		
Provision for Depreciation	17.51	16.26
Provision for taxation	–	470.00
Deferred tax Liability	3.56	5.78
Short / (Excess) Provision of Income Tax of earlier years	(25.78)	118.24
Profit/ (Loss) after tax	252.34	1856.00
Profit/(Loss) brought forward from last year	1464.38	(271.01)
Total:	1716.72	1584.99
APPROPRIATIONS:		
Proposed Dividend	40.92	40.92
Tax on Dividend	6.64	6.64
Transfer to General Reserve	--	73.05
Balance carried to Balance Sheet	1669.16	1464.38

2. OPERATIONS AND MANAGEMENT ANALYSIS:

The turnover of the company during the year was Rs 249.25 Lacs in comparison of Rs 395.24 Lacs in the previous year.

The Company continues the trading of Mild Steel Window section and Angles. Major trading activities are relating to export in overseas market. The management is hopeful to enhance the trading activities in coming years.

The Company has now entered into two more LLPs (Limited Liabilities Partnerships) as partner besides Avkar Group. The LLPs are engaged in construction of residential flats and tenements. These partnerships have already acquired land and have started development of the properties. They are hopeful to complete some projects by the end of 2013 & some projects by the next accounting year. The company has earned Rs. 287.90 Lacs profit as our share from the partnerships.

Despite the compulsive economics and political climate, added with the fact that real estate is predominantly a state subject, the Union Budget 2012-13 has atleast shown the intent to accept the real estate and infrastructure as a priority sector.

In view of the same, the management is of the opinion that:

1. Real estate as an attractive investment option
2. Improved real estate transparency levels
3. Wider option to choose from.
4. Availability of high-quality residential formats.
5. Competitive home loan rates.
6. Flexible home loan financing-EMI holiday by developers.
7. Increased NRI buyer interests

And exactly for such reasons residential offerings have evolved to accommodate concepts of themed projects, designer homes, green homes etc. Today people want to live, work, play entertain, be entertained, flaunt, relax, rejuvenate, study, exercise when it comes to 'where' they stay.



In order to bring the construction quality at par with the global standards, developer have introduced contemporary technologies such as Mivan and PERT to their construction. The advanced technologies have not only reduced the cost of construction, but also brought down construction turnaround time significantly in the recent past. There has been greater awareness about green building construction in the late decade.

The above factors will not only improve the performance of Company but will consequently help in increasing the net worth of Stakeholders. However the Management is concerned about the increase in Service Tax apart from this the prices of raw material; cement etc may affect the margin of the Company.

The Company had invested about Rs. 4.56 Crore upto 31.03.2012 in Light Works LLC in Mongolia for carrying on mining activities.

3. DIVIDEND:

The Board recommend 10 % dividend on equity shares i.e. ₹ 1/- per share for the financial year ended 31-03-2012.

4. DEPOSITORY SYSTEMS:

Your Company has entered into an agreement with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). This enables you to hold your shares in a dematerialized form with either of these depositories.

Since this mode facilitates quick transfers and prevents forgery, those shareholders who have not opted for these facilities are advised to dematerialize their shares in their own interest. Your Company has also made arrangements for simultaneous de materialization of the physical shares lodged for transfer.

The Company has appointed M/s.Link In Time India Private Limited as R & T agent. Henceforth all the communication relating to Demat of shares/ Transfer of shares/ Change of address etc be send to

Link In-Time India Private Limited (Ahmedabad Branch)

303, Shopper's Plaza - V, Opp.Municipal Market, Off.C.G.Road

Navrangpura, Ahmedabad- 380009

Tel No : 079-26465179

Email : Ahmedabad@linkintime.com

No of Shares demated 34,40,147 being 84% of Paid-up Capital.

5. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures. This is subject to Accounting Standard 13 in which case the current investments have been valued at cost.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (iii) That the Directors have 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.
- (iv) That the Directors have prepared the accounts for the Financial Year ended 31st March, 2012 on a 'going concern' basis.

6. INSURANCE:

All the assets of the Company have been adequately insured.

7. DIRECTORS:

As per the provisions of Articles of Association, Shri Shashank I. Shah, Shri Anand N. Jhaveri and Shri Girish D. Shah retire from the Board by rotation and being eligible, offer themselves for reappointment.



AHMEDABAD STEELCRAFT LIMITED

Dr. Malay Mahadevia was appointed as Additional Director on 12.11.2011 in terms of section 260 of the Companies Act, 1956 to hold the office upto the date of ensuing Annual General Meeting. His term as Additional Director will expire on the date of this Annual General Meeting. The Company has received a recommendation together with requisite deposit from a shareholder under section 257 of the Companies Act, 1956 for his appointment as Director of the Company in terms of section 255 of the Companies Act, 1956.

The Board therefore, recommends his appointment as an Independent Director in terms of section 255 of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

The term of Shri Anand V. Shah, Shri Darshan A. Jhaveri, Shri Shashank I. Shah, Shri Anand N. Jhaveri, Shri Girish D. Shah and Shri Viral A. Jhaveri as Managing Director and Whole Time Director will expire on 30.09.2012. Looking to their involvement and services it is recommended to reappoint them as Managing Director and Whole Time Director with increased remuneration upto Rs.1.25 Lacs per month. The further appointment will be for the period of 5 years commencing from 01.10.2012.

8. 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.

9. APPOINTMENT OF AUDITORS:

M/s. Dhiren Shah and Co., auditors of the Company, retires at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

10. PARTICULARS OF EMPLOYEES:

There were no employees drawing remuneration of Rs.24,00,000/- or more per annum employed throughout the year or Rs. 2,00,000/- or more, per month employed for a part of the year.

11. 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.

12. LISTING AGREEMENT

Your Company is committed to good corporate governance practices. Under clause 49 of the listing agreement. Your Directors are pleased to inform that your Company has implemented all the major stipulations prescribed under clause 49 of the listing agreement with the Stock Exchange (s). A certificate from the Statutory Auditors of the Company in line with clause 49 is annexed to and forms part of the Director's Report.

13. COMPLIANCE CERTIFICATE

Pursuant to proviso to section 383A of the Companies Act, 1956, Compliance Certificate for the Financial Year 2011-12 from M/s. D.N.Motwani & Co., Company Secretaries is attached to this report.

14. 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 of the Company.

For and on behalf of the Board

Place: Ahmedabad
Date : 27.07.2012

Anand V. Shah & Darshan A. Jhaveri
Managing Directors